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SAN FRANCISCO PORT COMMISSION

Kimberly Brandon, President
Ann Lazarus, Vice President
Francis X. Crowley, Commissioner
Doreen Woo Ho, Commissioner
Leslie Katz, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax 415-274-0412

SPECIAL MEETING AGENDA

TUESDAY, NOVEMBER 15, 2011

2:00 P.M. CLOSED SESSION

3:15 P.M. OPEN SESSION

PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Port Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's Office located at Pier 1 during normal office hours.

1. CALL TO ORDER / ROLL CALL
2. APPROVAL OF MINUTES – October 25, 2011
3. PUBLIC COMMENT ON EXECUTIVE SESSION
4. EXECUTIVE SESSION

11-10-11P02:08 RCVD

GOVERNMENT
DOCUMENTS DEPT

NOV 10 2011

- A. Vote on whether to hold closed session.

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An Executive Session has been calendared to discuss the following matters:

- (1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative:**

- a. Property: Seawall Lot 351
Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director,
Planning and Development

*Negotiating Party: San Francisco Waterfront Partners II, LLC: Simon Snellgrove

Under Negotiations: ____ Price ____ Terms of Payment XX Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Seawall Lot 351.

- b. Property: Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330
Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning & Development and Brad Benson, Special Projects Manager
*Negotiating Parties: America's Cup Event Authority, LLC: Stephen Barclay, Craig Thompson and Patrick Jost

Under Negotiations: ____ Price ____ Terms of Payment XX Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330.

5. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67-12.
- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

6. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting

Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.

- B. Announcement of Time Allotment for Public Comments

Please be advised a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

- A. Executive Director's Report
 - Commendation for Assemblyman Tom Ammiano
 - Commendation for California State Lands Commission Staff
 - America's Cup Selects Aquarium of the Bay as Lead Healthy Ocean Project Partner
 - In Memoriam – Captain Richard “Jack” Frost, founder of San Francisco Tug Company
- B. Informational presentation by the San Francisco Bicycle Coalition on Bike Safety and Cycling in the City. (Verbal Presentation)

8. CONSENT

- A. Request approval of contract award to Thornton Tomasetti Inc. for Professional Engineering Services to establish a Building Occupancy Resumption Program (BORP) for Critical Port Facilities in an amount not to exceed \$476,890 plus a ten percent contingency in the amount of \$47,689 for a total contract authorization of \$524,579. (Resolution No. 11-70)
- B. Request authorization to advertise for competitive bids for Construction Contract No. 2755, Port Security Fences Project, Phase III. (Resolution No. 11-71)
- C. Request authorization to advertise for competitive bids for the Brannan Street Wharf Project, Contract No. 2726. (Resolution No. 11-72)

9. PLANNING & DEVELOPMENT

- A. Informational presentation on the SWL 351/8 Washington Street Project (at Embarcadero and Washington Street).
- B. Informational presentation and staff direction to respond to proposed legislation to amend the San Francisco Planning Code and Zoning Map sponsored by Board of Supervisors President David Chiu.
- C. Informational presentation regarding project approvals for the 34th America's Cup.
- D. Informational presentation on Affordable Housing Development on Port Non-Trust Property.

10. NEW BUSINESS

11. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

12. ADJOURNMENT

FORWARD CALENDAR (Targeted Commission Meeting, Subject to Change)

- Informational presentation on the findings and recommendations of the Feasibility Study and Remedial Action Plan to address contaminated soil at Pier 70 (December 13, 2011)
- Request authorization to advertise for competitive bids for the Pier 33 Bulkhead Building Improvements, Contract No. 2743 (December 13, 2011)
- Request authorization to award Construction Contract No. 2755, Port Security Fences, Phase 3 Project (December 13, 2011)
- Request approval of renewal of lease with Aadvark Storage Unlimited, Inc., dba American Storage Unlimited, Inc. for a term of five years with one five-year option for a 6.29 acre parcel on a portion of Seawall Lot 344, subject to Board of Supervisors' approval (December 13, 2011)
- Request approval for San Francisco Port Commission Foreign Trade Zone #3 Operations Agreement by and between the City and County of San Francisco by and through its San Francisco Port Commission, Zone Grantee and Valero Refining Company-California, Subzone Operator (December 13, 2011)
- Request approval to enter into an Exclusive Right to Negotiate Agreement (ENA) with Kinder Morgan Operating LP, owned by Kinder Morgan Energy Partners LP, to negotiate terms for entering into a lease of Port property to design, finance, build and operate a bulk cargo marine terminal at Pier 96 (January 10 2012)
- Request authorization to award four (4) contracts for As-Needed Real Estate Economics and Related Services (January 10, 2012)
- Request authorization to award Construction Contract No. 2754, Pier 50 Substructure Repair (January 10, 2012)
- Request authorization to award Construction Contract No. 2726, Brannan Street Wharf Project (January 10, 2012)
- Request authorization to award Construction Contract No. 2723, Pier 70 Building 113 Stabilization (January 10, 2012)
- Request authorization to accept and expend \$1,121,795 in 2009 Infrastructure Protection Program Port Security Grant Program funds from the Department of Homeland Security for security improvements at the Port of San Francisco (January 10, 2012)
- Request authorization to award Construction Contract No. 2743, Pier 33 Bulkhead Building Improvements (March 13, 2012)
- Request approval of Lease No. L-14957 with Paul's Stores, Inc. DBA Cost/Less Inventory Services, a California Corporation for a term of twenty-four months for premises located at Pier 70, Building 2, and containing approximately 69,358 square feet (Date to be determined)
- Request approval of Lease No. L-15004 with Bauer Intelligent Transportation Inc. for approximately 2,500 square feet of office space in Pier 50, Shed A, approximately 40,000 square feet of shed space, approximately 46,700 square feet of exclusive exterior paved fenced area and approximately 3,600 square feet of exterior covered dock space in Pier 50, Shed C (Date to be Determined)

- Informational presentation on SWL 337 Associates, LLC's submittal of the Revised Proposal for the development of SWL 337 and Pier 48 pursuant to the Exclusive Negotiation Agreement and consistent with the Request for Proposals and the Financial and Negotiating Principles previously identified (Date to be determined)
- Request approval to enter into an agreement with the Bay Area Air Quality Management District to lease locations to operate bike share stations as part of the Bay Area Regional Bike Share Pilot Program (Date to be determined)
- Request approval for Port of San Francisco Zone Schedule No. 1 containing Rules, Regulations, Rates, and Charges for Foreign Trade Zone #3 (Date to be determined)

COMMUNICATIONS TO THE PORT COMMISSION
FROM OCTOBER 21 TO NOVEMBER 9, 2011

- From Stephen Dreyfuss, representing the street performers and entertainers at the Port, regarding the San Francisco Port Performers Program
- From Terry MacRae, Hornblower Cruises, regarding Pier 9 lease
- From the Northern California Carpenters Regional Council, invitation to the Annual Moose Feed Luncheon on December 9, 2011 at the San Francisco Hilton Hotel
- From Monique Moyer, copy of a letter to Mrs. Magdalena Frost in memoriam for Captain Richard "Jack" Frost
- From the San Francisco Bar Pilots, invitation to the Holiday Season Open House benefiting the San Francisco Fire Fighters Toy Program on December 8, 2011 at Pier 9

NOVEMBER/DECEMBER 2011

CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
November 15	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
Special Meeting	3:15 p.m.	Open Session	@ Ferry Building
December 13	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92. The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable).

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Rip Malloy @ 274-0267 or rip.malloy@sfport.com

Starting January 21, 2010, the Maritime Commerce Advisory Committee (MCAC) will meet every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the 2nd Thursday of the month at 5:00 p.m. at 1700 Owens Street, 2nd Floor. Parking validation is available. Contact Catherine Reilly, San Francisco Redevelopment Agency, at catherine.reilly@sfgov.org.

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets on a quarterly basis (the FOURTH MONDAY OF JANUARY AND THIRD MONDAYS IN APRIL, JULY, and OCTOBER), starting at 5:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine.Reilly/REDEV/SFGOV@SFGOV

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BDCD, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

- A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
- B) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

PIER 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

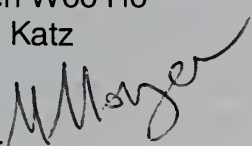
Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.



MEMORANDUM

November 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer 
Executive Director

SUBJECT: Request Approval of Award to Thornton Tomasetti Inc. for Professional Engineering Services to Establish a Building Occupancy Resumption Program ("BORP") for Critical Port Facilities in an amount not to exceed \$476,890, authorization of a ten percent contingency in the amount of \$47,689, for a total contract authorization of \$524,579

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

INTRODUCTION

The Port Commission, at its meeting on June 14, 2011, authorized staff by Resolution No. 11-39 to issue a Request for Proposals ("RFP") soliciting professional engineering services to establish a BORP for critical port facilities and to initiate a competitive selection process that would result in a staff recommendation for contract award. Staff has completed the RFP process and is requesting approval of award to Thornton Tomasetti Inc. ("Consultant") to establish the BORP for the Port's critical facilities.

BACKGROUND

After a catastrophe such as a major earthquake or other disaster, municipal agencies are often overwhelmed or lack sufficient resources to conduct prompt damage assessments and inspections necessary for re-occupancy of buildings. Following a disaster, a prompt inspection followed by a quick resumption of operations at the Port's critical and essential facilities will be critically important for a successful post disaster response. Public agencies throughout the state, including the City and County of San Francisco's Department of Building Inspection, have developed a recognized protocol and plan, known as the BORP to allow building owners and tenants to pre-certify private post-earthquake inspection of buildings enrolled in the program by pre-certified qualified

THIS PRINT COVERS CALENDAR ITEM NO. 8A

engineers and specialty contractors. The BORP will allow the Port to supplement its own limited staff and allow for prompt inspection of the Port's critical facilities.

Port staff recommends award of this contract with an initial duration of five (5) years with an option to extend the term for another four (4) years at the Port's discretion. Subject to Port Commission approval, the initial contract term is expected to be from November 2011 through November 2016. The scope of work during this term will consist of three phases. The first phase will include the initial building assessment and preparation of a BORP Inspection Plan. The second phase will include periodic updates and renewal activities, as well as the maintenance portion of the work on a biennial basis (every two years). The third phase will include services, as needed, for the post-disaster implementation of the program.

Near the end of the initial five year term, the Port will make a decision whether to grant an extension to the contract. The contract extension of four (4) years beyond the initial term of five (5) years, if granted at the Port's discretion, will only consist of continued services under phases 2 and 3, similar in scope to initial five (5) year contract.

For the initial five-year term of the proposed contract, the Consultant will receive a fee of \$339,390 for Phase 1 services, and a fee of \$61,500 for Phase 2. In addition to these fees, Port staff has negotiated an allowance not to exceed \$16,000, for other direct reimbursable costs such as reproduction, delivery costs, etc. related to Phase 1 services. For Phase 3 services, which will be provided, as needed, only in the event of a disaster or similar event, the Port has allocated an allowance of \$60,000 which will be billed on the basis of a negotiated fee schedule. The total fee for the three phases is \$476,890. Staff also seeks authorization for a 10% contract contingency of \$47,689 (10% of \$476,890) for unforeseen conditions that may require future amendments to the contract for additional services. Therefore, staff request authorization to award the contract for all three phases in the amount not to exceed \$524,579, and an initial term of 5 years.

The professional services during the contract extension beyond initial five (5) year term will be billed as per the fee schedule which the Port Staff has negotiated with the Consultant.

The Consultant will lead a team of professionals capable of performing all three phases related to the BORP as described above. Port staff has consulted with the City's Department of Building Inspection (DBI) staff that will provide a quality review of the BORP documents when drafted by the consultant.

At its June 20, 2011 meeting, the Civil Service Commission, under Item No. 8 PSC# 4119-10/11, authorized the Port to contract for the services proposed under this recommended contract award.

DISCUSSION

The following is an overview of information about the selection process, the recommended firm, and proposed fees.

Selection Process

The Request for Proposals was issued on September 12, 2011 with a proposal due date of October 14, 2011 and oral interviews scheduled for October 21, 2011. The sign-in sheet indicates seven people attended the pre-proposal meeting held on September 22, 2011. The pre-proposal meeting included an overview of the project and a Question and Answer session. On October 14, 2011, the Port received two proposals in response to the RFP.

Selection Panel

A three-member evaluation committee, composed of two San Francisco Department of Building Inspection (SFDBI) staff members (both involved in the SFDBI BORP) plus an engineer from the City Department of Public Works, reviewed the proposals. In addition, the Port's Project Engineer assigned to the project participated as a non-scoring member of the evaluation committee. The Port's Contract Assistant facilitated and monitored the evaluation process.

Evaluation Criteria

The evaluation criteria for written proposals included: 1) Approach of the Project; 2) Qualification of Assigned Project Staff; 3) Team Resources/Capability to Perform; 4) Firm's Qualifications; and 5) Fees.

After evaluating the written proposals, the evaluation committee conducted interviews of the candidates, which considered the following additional factors:

1. Understanding of the Project and Risks;
2. Post-disaster commitments
3. Project Management, Coordination with Stakeholders and Administration;
4. Evaluation Procedures
5. Quality Assurance and Communication;
6. Emergency response information requirements
7. Detailed inspection plans
8. Equipment requirements; and
9. Information required in updates

Exhibit #1 summarizes the actual scores from the evaluative process. The written proposal phase was weighted at 55% and the interview phase was weighted at 45%. The scores were combined to determine the final ranking of the candidates, as shown below:

<u>Final Ranking</u>	<u>Name of Prime</u>
1	Thornton Tomasetti Inc.
2	URS Corporation

The Port issued a Notice of Intent to Award the contract to the top-ranked firm, Thornton Tomasetti Inc., on October 26, 2011. After the seven-day protest period expired, there were no protests filed concerning the proposed contract award. Upon Port Commission approval, staff will proceed to finalize and execute the contract.

Company Information for the Recommended Firm

Thornton Tomasetti Inc. is a corporation organized under the laws of the State of New York. While its headquarters are located in New York, NY, there are offices in San Francisco, San Diego, and Oakland, CA. According to their Statement of Qualifications, Thornton Tomasetti Inc. is a full-service consulting firm providing professional services throughout the United States and overseas, specializing in engineering, architecture, special structures, and government services.

Thornton Tomasetti's experience is complemented by its subconsultant Ben C. Gerwick, Inc.'s long history of providing service to the Port of San Francisco, including their recent projects at Pier 43 and Pier 27.

CONTRACT AWARD AND FUNDING SOURCES

Contract Award Authorization Breakdown:

PHASE	DESCRIPTION	COST
1	Perform an initial building assessment and prepare a building-specific post-earthquake BORP inspection plan for the Port's critical facilities	\$339,390
1	Reimbursable not-to-exceed costs related to Phase 1	\$16,000
2	Perform periodic updates and renewal activities to maintain the BORP inspection plans.	\$61,500
3	Perform the post-disaster implementation of the program	\$60,000
Total Not-to-Exceed Amount Award		\$476,890
10% Contingency		\$47,689
Total Not-to-Exceed Amount Award Plus Contingency		\$524,579

Funding Sources

Phase 1 services are fully funded by the following grant funds-

2007 Supplemental Port Security Grant Program (PSGP) funding	\$487,357
2008 California Port and Maritime Security Grant Program	<u>\$175,000</u>
Total available for Phase 1 services	\$662,357

Phase 2 and Phase 3 services are funded from the Port Operating Fund (GPO551) in the amount of \$121,500.

SCHEDULE

Phase 1: Prepare BORP Documents

Task 1.1	Perform site visits and evaluate existing conditions of all facilities	March 8, 2012
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Task 1.2	Prepare, submit, and secure approval of the BORP Documents	June 30, 2012
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Phase 2:	BORP Maintenance Program Update	Once Every Two Years After Approval of BORP Documents
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Phase 3:	BORP Emergency Inspection Services Agreement	TBD
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RECOMMENDATION:

Port staff requests authorization to award a five (5) year contract to Thornton Tomasetti Inc. in the amount of \$476,890 with authorization to increase the contract amount through contract amendment, by an additional \$47,689 (10% of \$476,890) in the event of unforeseen conditions that require additional services, for a total contract authorization not to exceed \$524,579.

Prepared by: Megan Stephenson, Port Contracts Assistant
Peter Luong, Project Engineer

Prepared for: Ed Byrne, Chief Harbor Engineer

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 11-70

- WHEREAS, the Port Commission, at its meeting on June 14, 2011 authorized staff by Resolution No. 11-39, to issue a Request for Proposals (RFP) soliciting professional engineering services to establish a Building Occupancy Resumption Program (BORP) for critical Port facilities and to conduct a competitive selection process to recommend award of a contract for such services; and
- WHEREAS, Port staff obtained approval from the Civil Service Commission on June 20, 2011, under Item No. 8 PSC# 4119-10/11, authorizing the Port to contract with a private engineering firm to establish the BORP for Port facilities; and
- WHEREAS, in response to the RFP, Port staff received two proposals, among which Thornton Tomasetti Inc. ("Consultant") was scored as the top ranked firm responsive to the RFP criteria; and
- WHEREAS, the scope of the Consultant's proposed services include professional services to develop a building-specific post-earthquake BORP inspection plan for the Port's critical facilities (Phase 1), provide services related to periodic (biennial) updates and renewal activities to maintain the BORP inspection plans (Phase 2), and be on-call to provide services, as needed, for post-disaster implementation of the program (Phase 3); and
- WHEREAS, based on the RFP process and the fees submitted by the Consultant, Port staff has established a proposed contract with fees not to exceed \$476,890 for all three phases during the initial five (5) year contract term; and further, staff recommend a contract contingency fund of \$47,689 (10% of \$476,890) in the event that unforeseen conditions require additional services; and
- WHEREAS, Port staff has reserved the right, in the RFP and proposed contract, to extend the contract term for four (4) years beyond the initial five (5) years, at the Port's discretion, for the consultant's continuing work under Phase 2 and Phase 3 of the contract scope; and
- WHEREAS, the cost of this contract is fully funded through the 2007 Supplemental Port Security Grant Program and the 2008 California Port and Maritime Security Grant Program for Phase 1, and the Port's operating fund account for Phases 2 and 3; and

WHEREAS, Port staff recommend award of the contract for professional services to Thornton Tomasetti, Inc., in the amount not to exceed \$476,890 for three (3) phases, with an initial term of five (5) years to establish the Port's Building Occupancy Resumption Program and related services, as described in the accompanying staff memorandum; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes award of the contract to Thornton Tomasetti Inc. in the amount not to exceed \$476,890 for professional services to establish the Port's Building Occupancy Resumption Program and related services with an initial term of five (5) years, and an option, at the Port's discretion, to extend the term an additional four (4) years, as described in the accompanying staff memorandum; and be it further

RESOLVED, that the Port Commission further authorizes Port staff to increase the contract amount, as necessary for unanticipated contingencies that require additional services, by an additional sum of \$47,689 (10% of \$476,890) for a total contract authorization of \$524,579; and further authorizes Port staff to execute all necessary contract documents for such purpose in such form as approved by the City Attorney's' office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 15, 2011.

Secretary

Exhibit #1 – Summary of Scores

TOTAL AVERAGE SCORES (Weighted)

Firm Name	Written	Interview	Total Score	Rank
Thornton Tomasetti Inc.	48.3	34.6	82.9	1
URS	33.6	29.6	63.2	2



MEMORANDUM

November 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer *M. Moyer*
Executive Director

SUBJECT: Request authorization to advertise for Competitive Bids for Construction
Contract No. 2755, Port Security Fences Project, Phase III

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Overview

Port staff requests Port Commission authorization to advertise for competitive bids for construction Contract No. 2755, Port Security Fences Project, Phase III (the "Project"). The Project scope includes replacing substandard fences and constructing new fences at various Port terminals and facilities. This construction project will assist the Port in complying with Department of Homeland Security and United States Coast Guard mandates to improve security at regulated Port facilities under the Maritime Transportation Security Act (MTSA) of 2002.

Background

Port staff conducted a Port-wide review of security fencing, and using a risk-based formula, assessed each facility's vulnerability to unauthorized entry and the potential severity of any security breaches. Based upon this review, staff developed a prioritized list of facilities, including Pier 94, Pier 90, Pier 50, Pier 48, Pier 28, Pier 26, Pier 19, and Pier 45, in need of new and/or replacement fencing. This Project will address identified needs and maximize the availability of funds. Attachment A provides an overview of each site plan. With Port Commission approval, Staff will prepare a bid solicitation with a contract scope that will include mobilization and demobilization, demolition and disposal of existing fences, and construction of new fences.

THIS PRINT COVERS CALENDAR ITEM NO. 8B

The construction documents are nearly complete. The engineer's estimate for this Project is \$1,380,000, which is consistent with the available funds. Under the proposed project schedule, staff plans to complete this construction project by June 2012.

Under the proposed bid solicitation, qualified bidders must possess a Class A or C-13 Contractors License with at least three (3) years public work construction experience.

The Project will be advertised through the following channels:

- Human Rights Commission list of contractors
- Human Resources Outreach list of contractors
- Port Internet site
- City and County of San Francisco purchasing internet site
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 18 total
- Newspapers (SF Examiner and Small Business Exchange)

After the solicitation and receipt of bids, Port staff will propose award of the contract to the lowest responsive, responsible bidder. The Human Rights Commission ("HRC") Contract Compliance Officer for the Port has reviewed the scope of work and the HRC Availability List for Fencing Contractors, and determined that there is no availability of HRC Certified Local Business Enterprise ("LBE") Fencing Contractors, and therefore, waived the LBE subcontracting goal for this contract.

The San Francisco Office of Economic and Workforce Development has reviewed the scope of work and funding sources of the Project, and determined that the Project requirements should utilize the First Source Hiring Program instead of the Local Hiring Program.

Regulatory Approvals

The Port received a concurrent determination from the City Planning Department that the project is categorically exempt from California Environmental Quality Act ("CEQA") under "Class 1: Existing Facilities (c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety).... 16. Installation of security fencing and gates."

Furthermore, the Port has sent and reviewed the scope of this project with the San Francisco Bay and Conservation and Development Commission ("BCDC") to provide notification under the Port's Basic Repair and Maintenance Permit (BCDC Permit M77-17) to perform the work as described. Several design changes were discussed and approved in concept that will satisfy both parties' objectives. The Port expects to receive formal approval in the near term. The approval by BCDC is required before the Project award.

Funding

The engineer's estimate and funding sources for the project are noted below:

Subtotal Engineer's Estimate:	\$ 1,380,000
Add in 10% Contingency:	<u>\$ 138,000</u>
Total estimated cost with contingency	\$ 1,518,000

The project is fully funded as follows:

Grant Title	FEMA	Comments
2007 Port Security Grant Program (PSGP)	\$803,081	Original amount = \$981,786
2007 Port Security Grant Program – Supplemental	\$375,000	Awarded November 2010
2007 California Port and Maritime Security Program	\$282,586	Matching funds for 2007 PSGP Original Amount = \$327,262
2008 California Port and Maritime Security Program	\$60,375	Matching funds for 2007 PSGP (S) Original Amount = \$125,000
Total	\$1,521,042	

Schedule

The anticipated construction start date is January 2012, and the anticipated completion date is June 2012.

The Project schedule is noted below:

Commission Approval to Advertise	November 15, 2011
Advertise for Bid	November, 2011
Bids Due	December, 2011
Award of Contract	January, 2012
Notice to Proceed	January, 2012
Final Completion	June, 2012

Summary

Port staff is prepared to seek competitive bids for the subject construction Project. Port staff requests Port Commission authorization to advertise for competitive bids for construction Contract No. 2755, Port Security Fences Project, Phase III.

Prepared by: Ken Chu, Project Engineer
Ken Tashian – Program Manager Homeland Security

For: Edward F. Byrne, Chief Harbor Engineer
Sidonie Sansom, Director of Homeland Security

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 11-71

- WHEREAS, Port staff is prepared to advertise and seek competitive bids for construction Contract No. 2755, Port Security Fences Project, Phase III (the "Project"); and
- WHEREAS, the Project will assist the Port in complying with Department of Homeland Security and United States Coast Guard mandates to improve security at regulated Port facilities under the Maritime Transportation Security Act (MTSA) of 2002; and
- WHEREAS, the Project scope includes mobilization and demobilization, demolition and disposal of existing fences, and construction of new fences and gates at the following Port facilities: Pier 94, Pier 90, Pier 50, Pier 48, Pier 28, Pier 26, Pier 19, and Pier 45; and,
- WHEREAS, the engineer's estimate is \$1,380,000; and
- WHEREAS, the Project cost will be funded by the United States Department of Homeland Security's Port Security Grant Program, and by the California Port and Maritime Security Grant Program; and
- WHEREAS, Port staff received a concurrent determination from the City Planning Department that the project is categorically exempt from the California Environmental Quality Act ("CEQA"); and
- WHEREAS, Port staff has sent notification to and met with the San Francisco Bay and Conservation and Development Commission ("BCDC") under the Port's Basic Repair and Maintenance Permit (BCDC Permit M77-17) to seek approval and perform the work as described by the project engineer; and a formal approval of this Project by BCDC is anticipated in the near term and required before the Project award; and
- WHEREAS, the Human Rights Commission ("HRC") has reviewed the scope of work and determined that there are no available HRC Certified Local Business Enterprise ("LBE") Fencing Contractors, and therefore, waived the LBE subcontracting goal for this contract; and
- WHEREAS, the San Francisco Office of Economic and Workforce Development has reviewed the scope of work and funding sources of the Project, and determined that the Project requirements should utilize the First Source Hiring Program instead of the Local Hiring Program; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for construction Contract No. 2755, Port Security Fences Project, Phase III.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 15, 2011.

Secretary

[illegible]

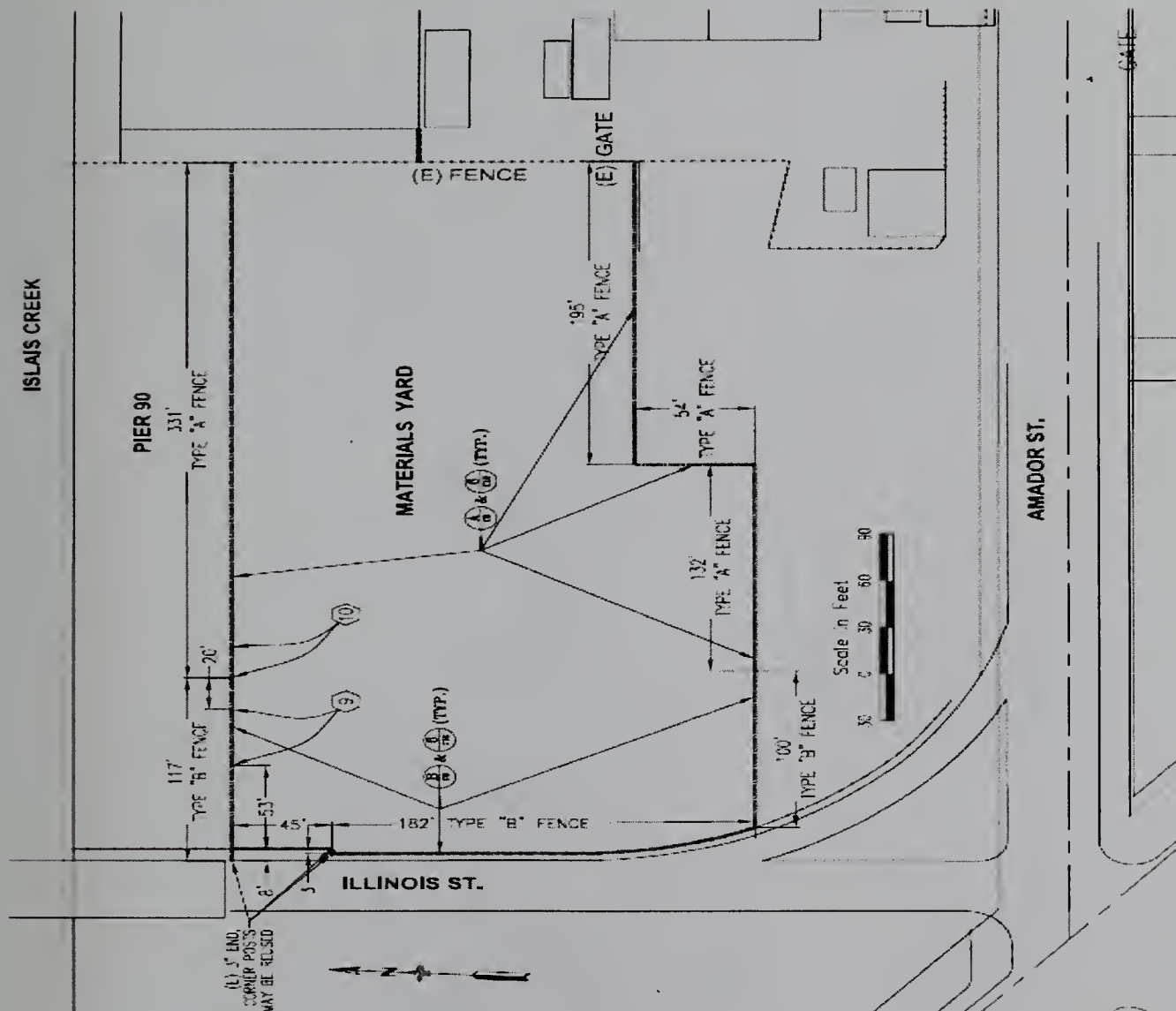
SEE SHEET C1

Pier 94

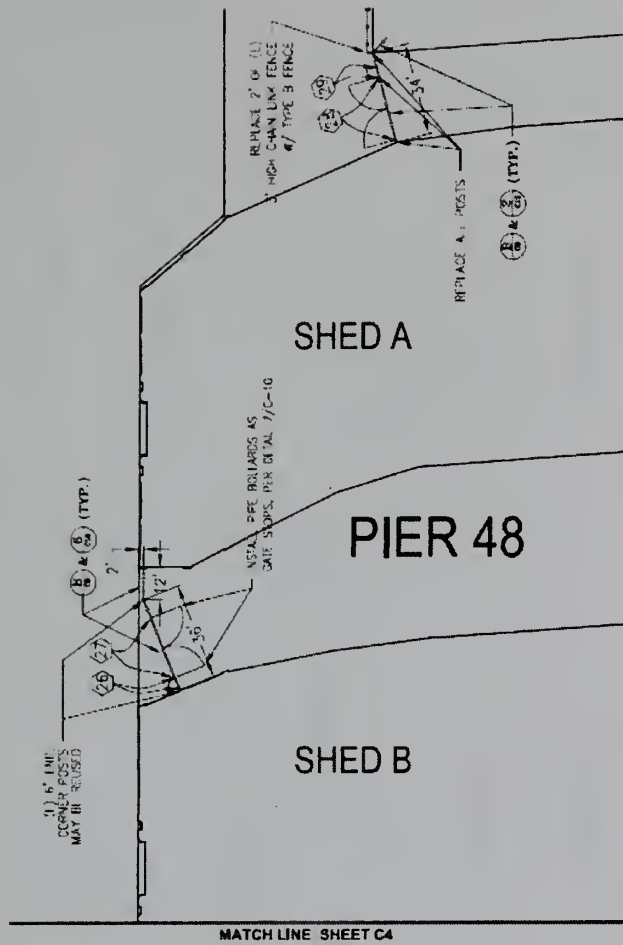
ISLAIS CREEK

- 241E 151
CONSTRUCT (N) GATES
- (9) DOUBLE 18' SLIDING GATE TYPE "B" FENCE
 - (10) SINGLE 29' SLIDING GATE TYPE "A" FENCE

- CONSTRUCTION AND DEPICTION OF APPROXIMATELY 716 L.F. OF EXISTING FENCES AND GATES
- CONSTRUCTION OF APPROXIMATELY 712 L.F. OF TYPE "A" NEW FENCES AND 449 L.F. OF TYPE "B" NEW FENCES AND GATES (SEE SHEET C-1)
- DETAILS ARE AS INDICATED IN THE PROJECT MANUAL
- TEMPORARY FENCE REMOVED TO ALLOW CONSTRUCTION SHALL BE SHOWN WITHIN THE 200' MATERIALS YARD ENCLOSED BY THE NEW FENCE, AS DIRECTED BY THE ENGINEER



Pier 90



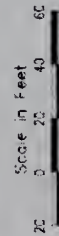
GATE LIST

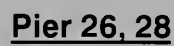
CONSTRUCT (N) GATES AS SPECIFIED

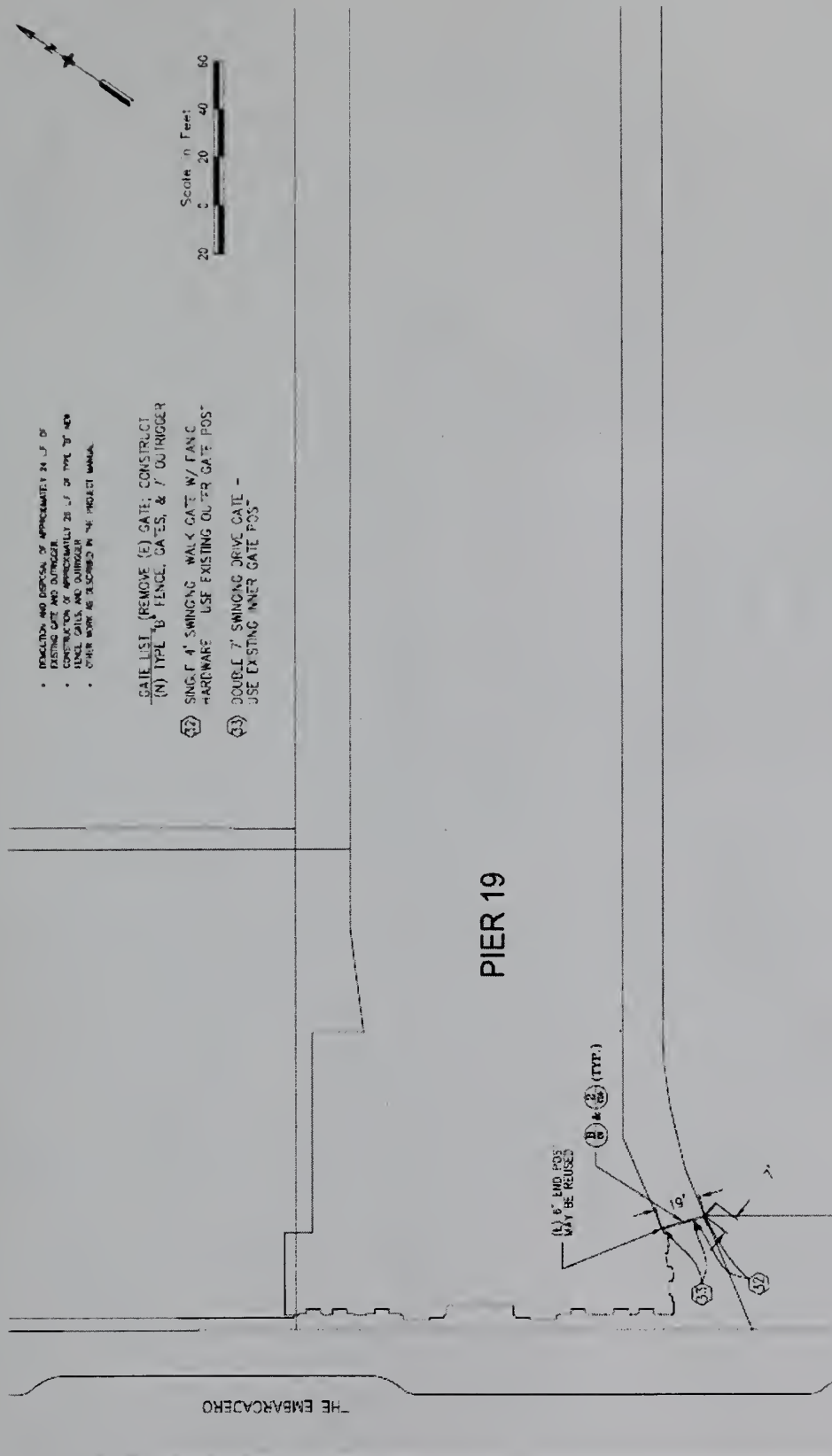
- (26) 4' WALK GATE W/ PANIC HARDWARE
- (27) DOUBLE 12' SWINGING DRIVE GATE
- (28) DOUBLE 12' SWINGING DRIVE GATE
- (29) 4' WALK GATE W/ PANIC HARDWARE

BID ITEMS

- DEMOLITION AND REMOVAL OF APPROXIMATELY 91' L.F. OF EXISTING FENCES AND GATES.
- CONSTRUCTION OF APPROXIMATELY 91' L.F. OF TYPE "B" NEW FENCES AND GATES.
- OTHER WORK AS DESCRIBED IN THE PROJECT MANUAL







BID ALTERNATE #3

EXIT PLATFORM & STAIR
-SLE 215, 1-E/ C13.
& DET 1/C14

DESH

9122 45

BID ALTERNATE #3

BID ITEM 7

- DEMOLITION AND DISPOSAL OF APPROXIMATELY 20,000 LB. OF EXISTING FIBERS AND GATES.
- CONSTRUCTION OF APPROXIMATELY 284 LB. OF TYPE "A" NEW FIBERS AND GATES AT 24 ROLL-UP DECKS.
- CONSTRUCTION OF APPROXIMATELY 112 LB. OF TYPE "B" NEW FIBERS AND GATES.
- REPAIRMENT OF 2 EXISTING ROLL-UP DECKS WITH 2 ROLLING COILS.
- CONSTRUCTION OF AN EXT PLATFORM & STAIR.
- OTHER WORK AS DESCRIBED IN THE PROJECT MANUAL.

GAIL 51 (NEW) (C) FENCES AND GATES CONSTRUC (N) FENCES AND GATES OF TYPES "A" AND "B" FENCE FABRIC AS LISTED.)

- (40) ALL TYPE "B" - SINGLE A WALK GATE W/ PANIC HARDWARE
 (41) ALL TYPE "B" - DOUBLE "X" SWINGING GATES
 EXTEND OUTDOOR 2' BELOW LEVEL OF DECK
 (42) ALL TYPE "B" - SINGLE A WALK GATE W/ PANIC HARDWARE
 (43) ALL TYPE "B" - DOUBLE "X" SWINGING DRIVE GATES
 EXTEND OUTDOOR 2' BELOW LEVEL OF DECK
 (44) ALL TYPE "B" - DOUBLE "X" SWINGING DRIVE GATES
 (45) ALL TYPE "B" - SINGLE A WALK GATE W/ PANIC HARDWARE
 (46) & (47) ROLL UP DOOR MARKED (X) A TYPE "A" -
 DOUBLE "X" SWINGING DRIVE GATES SEE DETAIL SHEET 011

SAFETY CAP: NONE

1. A. ALL ROLL-UP DOORS MARKED (1). INSTALL DOUBLE 8" TYPE "A" SWINGING DRIVE GATE AS SHOWN ON SHEET C-3 & C-4, CHAINING RAZOR WIRE BARBED WIRE AND ITS SUPPLANTS.
2. A. ALL ROLL UP DOORS MARKED (2). INSTALL SECURITY PANEL WITH PEDESTALIAN EXIT DOOR AS SHOWN ON SHEET C-11.
3. A. DOORS MARKED (3). REPLACE (E) ROLL UP DOOR WITH (N) ROLLING CURTAINS AS SHOWN ON SHEET C-2.
4. A. DOORS MARKED (4). PERFORM NO WORK.
5. A. ALL OTHER ROLL-UP DOORS. INSTALL PLAIN (NO DOOR) SECURITY PANEL AS SHOWN ON SHEET C-11.

282114

① 28 (TYP.)

— 13 —

Scale in feet

Pier 45



MEMORANDUM

November 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

Signature for

SUBJECT: Request Authorization to Advertise for Competitive Bids for Construction Contract No. 2726, the Brannan Street Wharf Project

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Overview

Port staff requests Port Commission authorization to advertise for competitive bids for Contract No. 2726, the Brannan Street Wharf Project ("Project"). The scope of work for this construction Project includes:

- (1) Constructing the Brannan Street Wharf, a 58,700-square-foot-pile-supported public open space park over the Bay with public boat launch and gangway, in place of the former Piers 34 (removed in 2001) and 36 (scheduled for removal by US Army Corps of Engineers in early 2012), located along the Embarcadero between Brannan and Townsend Streets;
- (2) Repairing cracks and modifying the top of the historic concrete bulkhead seawall;
- (3) Removing and reconstructing a portion of bulkhead wharf adjacent to Pier 32 and supporting the Embarcadero Promenade, including stabilizing the bulkhead seawall by placing rock revetment;
- (4) Flattening elements of the concrete art ribbon along this stretch of the Embarcadero Promenade; and
- (5) Installing landscaping, seating, lighting, and interpretive signage throughout the site.

THIS PRINT COVERS CALENDAR ITEM NO. 8C

The Project location is shown in Attachment A and a Project Site Plan is included in Attachment B.

The engineer's estimate for the full scope (\$18,645,000) exceeds the available funding, therefore the Project bid will include a base scope of work to construct the majority of the wharf, and additive alternates for remaining features, including a portion of the wharf adjacent to Pier 32, the float and gangway, the canopy structure, and a change of material for the perimeter bayside railing from painted carbon steel to stainless steel. The San Francisco Bay Conservation and Development Commission ("BCDC") permit requires completion of the entire wharf within 5 years after constructing any portion, but no later than December 1, 2019.

Background

The Brannan Street Wharf will be a major new public open space wharf in the City's South Beach Neighborhood. The Wharf, to be located between Piers 30/32 and 38, is one of two public plazas and four Open Water Basins identified in the BCDC San Francisco Waterfront Special Area Plan ("SAP") for the Northeastern Waterfront (Pier 35 to China Basin). The SAP calls for the removal of Pier 34, Pier 36, and the bulkhead wharf to create an open water basin, and the creation of the Brannan Street Wharf, a 57,000 square-foot public open space to be located over the Bay adjacent to The Embarcadero Promenade at the location of the former piers. Design of the Wharf began in 2000 with an extensive public process to determine features and basic shape. In 2001, the Port removed Pier 34. At that time, the Project was to be a component of the Piers 30-32 Bryant Street Pier major development project entitled by Lend Lease. However, the developer abandoned efforts to develop Piers 30-32, and the Brannan Street Wharf was left in the conceptual design stage and only partially funded. In 2008, in an effort to move the Brannan Street Wharf forward without the adjacent development, the Port secured additional funding via the Clean & Safe Neighborhood Parks General Obligation Bond Measure. In 2009, staff hired an engineering consultant, a Joint Venture between Winzler & Kelly and Structus, to work with Port architectural staff to complete final design and engineering of the Project. In addition, staff began securing the necessary approvals and permits.

During the design process, it became apparent that removal of Pier 36 and the bulkhead wharf, which are necessary prior to the construction of the Brannan Street Wharf, would be more costly than anticipated. Staff then sought assistance from the federal government and received an appropriation of \$4.7 million for pier and wharf removal. At the Port Commission meeting on October 12, 2010, the Port Commission authorized the Executive Director to enter into a design and construction agreement with the United States Army Corps of Engineers for the removal of Pier 36 and the bulkhead wharf (Resolution 10-68). The agreement includes a 1/3 cost share by the Port.

Final design of the Project was brought before the Port Commission for approval at the August 15, 2011 meeting along with the adoption of CEQA mitigation measures (Resolution 11-54). On November 8, 2011, the Army Corps opened bids for the Pier 36 removal project. The Corps received a total of six bids, four being less than the

Government estimate, and expects to award of the removal project in December 2011, with completion by early June 2012.

The Brannan Street Wharf Construction Project will be advertised through the following channels:

- Human Rights Commission list of contractors
- Human Resources Outreach list of contractors
- Port Internet site
- City and County of San Francisco purchasing internet site
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 18 total
- Newspapers (SF Examiner and Small Business Exchange)

San Francisco Human Rights Commission Local Business Enterprise Goals

Port staff will adhere to San Francisco Human Rights Commission (HRC) bidding procedures and requirements. The Human Rights Commission staff has reviewed the project scope and recommends a 9% subcontracting goal for Local Business Enterprises (LBE), including small and micro LBEs. Refer to HRC memorandum in Attachment C.

San Francisco Local Hiring Policy for Construction

The project will include the requirements to hire locally in accordance with the City's new Local Hiring Ordinance (known as the San Francisco Local Hiring Policy for Construction), which became effective on March 25, 2011. The mandatory participation level in terms of Project Work Hours within each trade to be performed by Local Residents is 20%, with a goal of no less than 10% of Project Work Hours within each trade to be performed by Disadvantaged Workers.

Regulatory Approvals

Port staff has secured all the required environmental and regulatory approvals for this Project except for the following:

Incidental Harassment Authorization (IHA) – Pursuant to the Marine Mammals Protection Act (MMPA), a complete and adequate application for an IHA to take marine mammals, by harassment, incidental to pile driving, has been filed with NOAA National Marine Fisheries Service (NMFS). NMFS will issue the final IHA within 60 days prior to the start of pile driving, expected to occur in June 2012.

U.S. Army Corps of Engineers Section 404 of the Clean Water Act – This permit is required to place rock revetment. Staff expects to secure the permit prior to contract award.

Funding & Engineer's Estimate

Funding for the Project construction includes the following sources:

- Proceeds from Land Sale of Seawall Lot 330
- Port Annual Capital Budget Funding
- 2008 Clean & Safe Neighborhood Parks Bond

The engineer's estimate for the Project is:

Project Scope	Engineer's Estimate	10% Contingency	Total Estimate with Contingency
Base Project	\$ 12,000,000	\$ 1,200,000	\$ 13,200,000
Alternate 1: North Wharf	\$ 2,870,000	\$ 287,000	\$ 3,157,000
Alternate 2: Shade Structure	\$ 360,000	\$ 36,000	\$ 396,000
Alternate 3: Float & Gangway	\$ 1,220,000	\$ 122,000	\$ 1,342,000
Alternate 4: S.S. Railing	\$ 500,000	\$ 50,000	\$ 550,000
Total with all Alternates	\$ 16,950,000	\$ 1,695,000	\$ 18,645,000

Staff expects that the amount of available funding will be sufficient to cover the base bid and 10% contingency. The final funding amount is, however, contingent on the cost of the Army Corps' Pier 36 removal project, of which the Port contributes one third (the "local share") of the funding. Bids for the removal project were opened by the Army Corps on November 8, 2011, and staff is estimating available Project funding based on the apparent bid results. The Army Corps received a total of six bids, four lower than the Government estimate, with the apparent low bidder coming in 22% below the estimate. The Army Corps expects to award the removal contract in mid-December, and staff will establish the final funding amount at that time and prior to opening of this proposed construction bid. If funding is sufficient, one or more of the alternates listed above may be awarded.

Schedule

The anticipated construction start date is March 2012, and the anticipated substantial completion date is June, 2013. Per the 34th America's Cup Host and Venue Agreement, the Port is to deliver the Brannan Street Wharf by June 30, 2013 if the City certifies the Final Environmental Impact Report (FEIR) for the event, and the Port Commission and the Board of Supervisors approve the 34th America's Cup project. Staff have discussed the base bid scope with the Event Authority and believe that it will satisfy the spirit of the agreement. The BCDC permit requires the full construction of the Project within 5 years of constructing any portion, but no later than December 1, 2019.

The project schedule is noted below:

Commission Approval to Advertise
Advertise for Bids

November 15, 2011
November 2011

Bids Due
Award of Contract
Notice to Proceed
Final Completion

December 2011
January 2012
March 2012
June 2013

Summary

Port staff is prepared to seek competitive bids for the subject project. Port staff requests Port Commission authorization to advertise for competitive bids for Contract No. 2726, Brannan Street Wharf.

Prepared by: Steven Reel
Project Manager

For: Edward F. Byrne
Chief Harbor Engineer

Attachments:

Attachment A - Project location
Attachment B - Project Site Plan
Attachment C – HRC LBE Goal Memorandum

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 11-72

- WHEREAS, Port staff is prepared to advertise and seek competitive bids for Contract No. 2726, Brannan Street Wharf (the "Project"); and
- WHEREAS, the Project will create the Brannan Street Wharf, a 57,000 square-foot public open space wharf to be located between Piers 30-32 and Pier 38 as designated in the San Francisco Bay Conservation and Development Commission's San Francisco Waterfront Special Area Plan; and
- WHEREAS, through the adoption of Resolution No. 10-68, the Port Commission authorized the Executive Director to enter into a design and construction agreement with the United States Army Corps of Engineers (the "Corps") for the removal of Pier 36 and the bulkhead wharf, and pursuant to that agreement, staff expects completion of the pier removal in early June 2012; and
- WHEREAS, Port architectural staff and an engineering design consultant, Winzler & Kelly/Structus JV, have completed design drawings and specifications for the Project; and
- WHEREAS, the Port Commission approved the Project design and California Environmental Quality Act findings at the August 15, 2011, meeting (Resolution No. 11-54); and
- WHEREAS, Port staff has applied for and will secure all the required environmental and regulatory approvals for this Project prior to award; and
- WHEREAS, the current engineer's construction cost estimate for the base Project is \$12,000,000; with a 10% contingency of \$1,200,000, for a total estimated base Project cost of \$13,200,000; and
- WHEREAS, the current engineer's construction cost estimate for the Project including all additive alternates is \$16,950,000; with a 10% contingency of \$1,695,000, for a total estimated Project cost including alternates of \$18,645,000; and
- WHEREAS, the estimated base Project cost, including 10% contingency, is fully funded; and
- WHEREAS, the Project will include the requirements to hire locally in accordance with the City's new Local Hiring Ordinance (also known as the San Francisco Local Hiring Policy for Construction, Section 6.22(G) of the City Administrative Code), which became effective on March 25, 2011; and

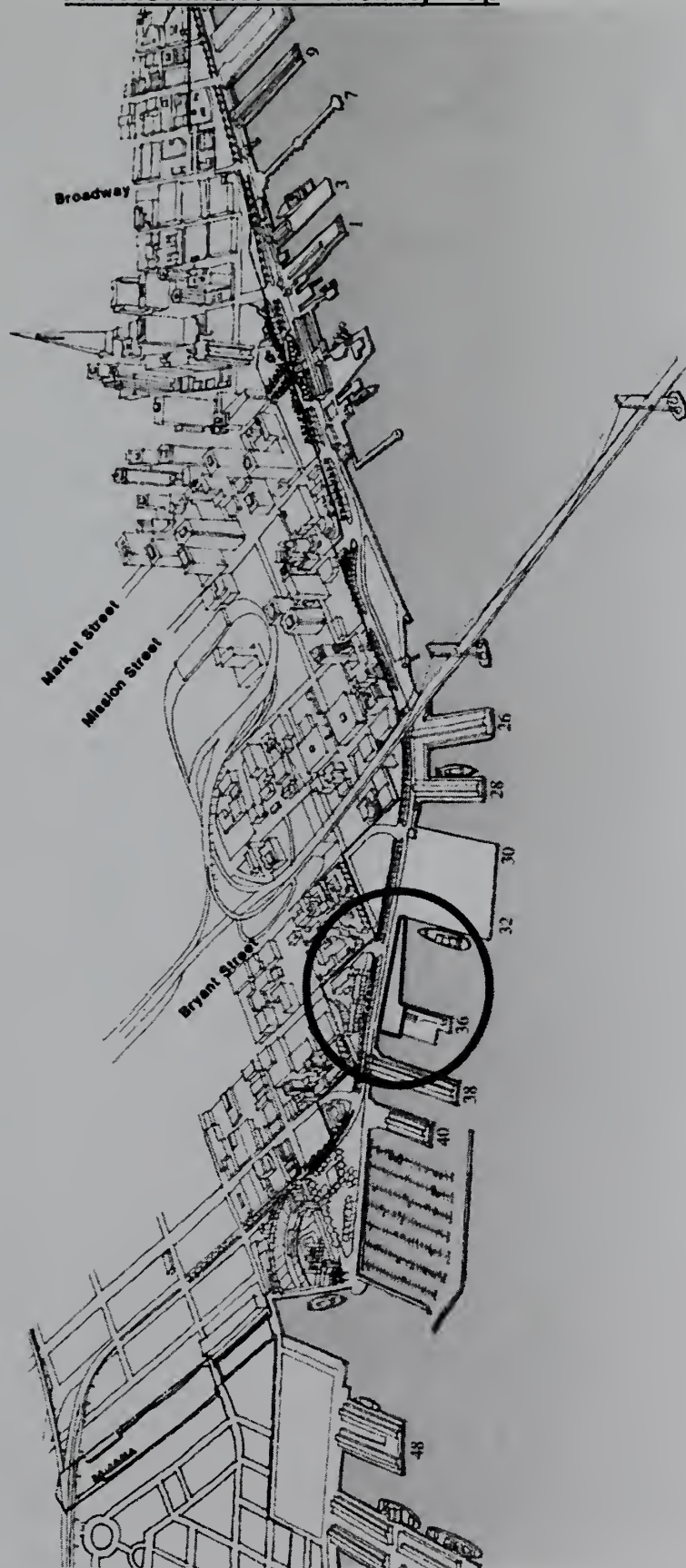
WHEREAS, in the solicitation of bids for this Project, Port staff will incorporate the 9% subcontracting goal for Local Business Enterprises (LBEs), including small and micro LBEs, as recommended by the Human Rights Commission (HRC); now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for Construction Contract No. 2726, Brannan Street Wharf Project.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 15, 2011.

Secretary

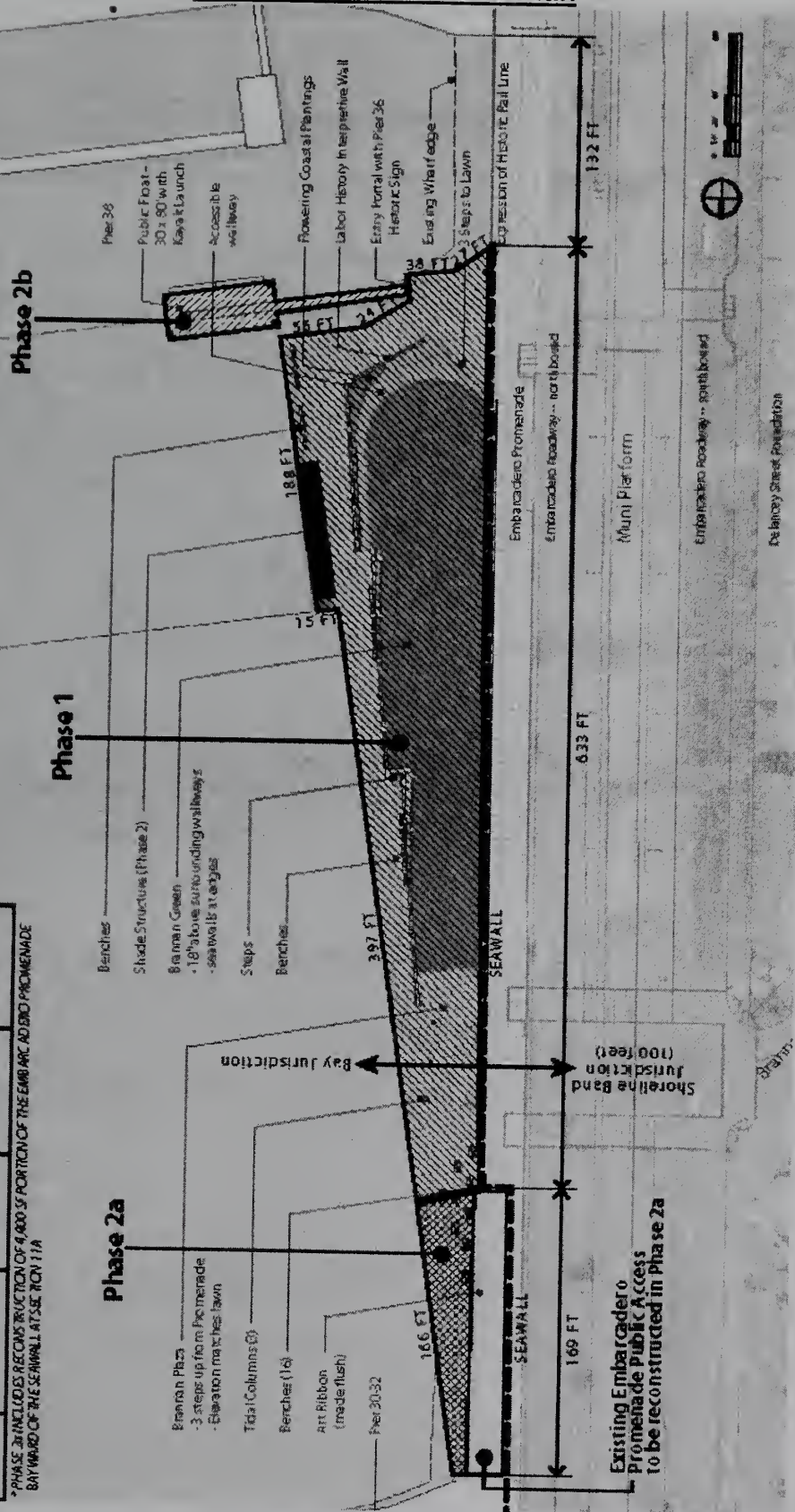
ATTACHMENT A – Vicinity Map



ATTACHMENT B – Site Plan

PHASE	DESCRIPTION	PROJECT AREA	NEW PUBLIC ACCESS AREA	EXISTING PUBLIC ACCESS AREA
PHASE 1	BASE WHARF	51,700 SF	51,700 SF	0 SF
PHASE 2a	NORTH WHARF	8,500 SF	4,100 SF	4,400 SF
PHASE 2b	FLOAT & GANGWAY	2,900 SF	2,900 SF	0 SF
	TOTAL ALL PHASES	63,100 SF	58,700 SF	4,400 SF

* PHASE 2a INCLUDES RECONSTRUCTION OF 4,400 SF PORTION OF THE EMBARCADERO PROMENADE BAYWARD OF THE SEAWALL AT SE. ROW 11A



Brannan Street Wharf

Port of San Francisco

Exhibit A: Public Access Plan

October, 2011

ATTACHMENT C – HRC LBE Goal



RE: 2726 BSW - Need to Establish LBE Goal

Steven Reel to Jewell, Finbarr

cc "Leung, Tim"

11/03/2011 04:02 PM

Finbar,

I am in agreement that the 9% goal is fair and achievable.

Thanks,

- Steve

Steven Reel, PE, LEED AP
Project Manager
Port of San Francisco
Pier 1, San Francisco, CA 94111
Dir 415.274.0574
Main 415.274.0400

"Jewell, Finbarr"

Steven, The HRC would like to set the LBE parti...

11/03/2011 03:30:23 PM

From: "Jewell, Finbarr" <finbarr.jewell@sfgov.org>
To: "Reel, Steven" <steven.reel@sfport.com>
Cc: "Leung, Tim" <tim.y.leung@sfport.com>
Date: 11/03/2011 03:30 PM
Subject: RE: 2726 BSW - Need to Establish LBE Goal

Steven,

The HRC would like to set the LBE participation goal for the above listed project at 9%. If you are comfortable that the LBE participation goal will be met, please email to confirm your acceptance.

The availability of LBEs is as follows:

MBE 4.6%

WBE 0.9%

OBE 3.5%

If you have any questions please do not hesitate to contact me.

Regards,

Finbarr Jewell
HRC Contract Compliance Officer
Port of San Francisco
Pier 1
The Embarcadero
San Francisco, CA 94111
Phone (415) 274-0511

From: Steven.Reel@sfport.com [mailto:Steven.Reel@sfport.com]
Sent: Wednesday, October 19, 2011 1:30 PM
To: Jewell, Finbarr
Subject: 2726 BSW - Need to Establish LBE Goal

Hi Finbar,



MEMORANDUM

November 8, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director *[Signature]*

SUBJECT: Informational Presentation on the Seawall Lot 351/8 Washington Project
(at Embarcadero and Washington Street)

DIRECTOR'S RECOMMENDATION: Informational Only; No Action Required

Introduction

The Port and San Francisco Waterfront Partners II (SFWP) have been working toward the lease and development of Seawall Lot (SWL) 351, currently a surface parking lot, located on The Embarcadero at Washington Street, in conjunction with the adjacent private property east and north of SWL 351. SWL 351 and the adjacent private property together constitute the project site (Site). A portion of the adjacent private property is home to a private athletic club, Pacific Sports Resort (Resort), formerly known as the Golden Gateway Tennis and Swim Club (GGTSC).

Following a request for proposal process initiated in July 2008 (Resolution No. 08-45), SFWP was awarded the SWL 351 development opportunity and authorized to enter an Exclusive Negotiation Agreement in February 2009 (Resolution No. 09-12) and received approval of a project Term Sheet in September 2010 (Resolution No. 10-66). The Term Sheet presents a conceptual agreement by the parties of the terms of a transaction, based on policy direction by the Port Commission and responding to the Northeast Embarcadero Study (NES) published by the San Francisco Planning Department in May 2010.

This Print Covers Calendar Item No. 9A

Summary

The terms of the Purchase and Sale Agreement, Disposition and Development Agreement and other transaction documents are now in the final stages of negotiation and will be lodged with the Commission Secretary in January 2012. At the January 2012 Port Commission hearing, Port staff will seek (1) adoption by the Port Commission of the findings for the SWL 351/8 Washington Project under the California Environmental Quality Act, (2) approval of the transaction documents and of the schematic drawings, and (3) approval of the Trust Exchange Agreement with the State Lands Commission. A detailed Staff Report will be submitted at that time describing the salient deal terms. Today's informational hearing is intended to give the Port Commission and the public an opportunity to see the latest schematic drawings of the project and to describe the next steps.

Project Components

The 8 Washington/SWL 351 project (Project) will include between 140 and 165 residential condominiums, a re-built private athletic club, restaurants, retail uses, new public parks, new public open spaces and a parking garage. The three level garage will be built below the residential towers and contain approximately 255 public parking spaces for waterfront visitors and one space for each residential condominium for a total of up to 420 parking spaces. The new public parks are proposed north of the Pacific Avenue right-of-way and along the former Jackson Street right-of-way

In response to comments received through the environmental review process, SFWP has revised the project design and will provide an overview of the revised design as part of the informational presentation.

Public Trust Exchange

The Port, SFWP and the State Lands Commission will enter into an exchange agreement for portions of SWL 351 and the adjacent private property. The exchange agreement will result in the removal of the public trust designation on the majority of SWL 351 in exchange for adding the public trust designation to a portion of the adjacent private property. The trust swap effectuated by the exchange agreement will allow the sale of portions of SWL 351 to SFWP for residential development in exchange for development of public trust open space on portions of the adjacent private property not currently encumbered by the public trust.

Financial Terms of Transaction

The Term Sheet sets forth the basic terms and conditions on which the parties have based our negotiations regarding the development concept, transaction structure, financial and public finance agreements. These terms, summarized below, are not affected by the revisions to the Project mentioned above.

Land Payments

For the purchase of the majority of SWL 351 the Port will receive \$3,000,000 guaranteed payment upon stabilization (defined as one year following receipt of a

temporary certificate of occupancy) of the Project. Additionally SFWP must enact deed restrictions in perpetuity committing to transfer payments of ½ percent of sale value for all sales of the residential condominiums and all subsequent sales of commercial condominiums (excepting the first sale). SFWP will guarantee a minimum of \$2 million from the initial transfer payments from the residential condominiums created by the Project.

SFWP will execute a Management Contract for the remainder of SWL 351 and the adjacent trust swap parcel for use as publically accessible open space. SFWP will complete these public improvements and manage them for 66 years, bearing responsibility for all operations and maintenance. The Port will receive 15% of gross rent from any concession income generated within these open space areas.

During the construction period SFWP will pay the Port \$60,000 per year.

Public Finance

SFWP will include the entire Project site in an Infrastructure Financing District (IFD) as a requirement of acquiring SWL 351. The IFD is expected to generate annual tax increment of \$2.5 million. Up to \$5 million of certain project related off-site public improvement costs will be funded with IFD tax increment funds. These public improvements include sidewalk widening and street furnishings recommended in the NES.

The Port will use best efforts to cooperate with SFWP to include SWL 351 in a Community Facilities District (CFD). CFD assessments would be applied to property within the Project site and CFD funds will only be used for capital and maintenance costs for public components of the Project.

Fiscal Analysis

This transaction guarantees short term payments, enhances long term lease revenue and provides the Port with new mechanisms to participate in the long term appreciation of this real estate asset. Given the current state of the real estate and financing markets, the finance structure allows the Port to unlock the site's value by accepting payments at stabilization and receiving long term participation in the financial upside of the project.

Public Comment

As evidenced by the extensive comments on the NES study and those received at Project presentations to the Port and Planning Commissions, there is substantial public sentiment both in support of and in opposition to the Project. The Port Commission has held 7 public hearings on this project concept since May 2006 and 2 on the NES. Separately, NES outreach included 5 community meetings and 2 Planning Commission presentations. In addition to today's Port Commission hearing, planned Project presentations to the Northeast Waterfront Advisory Group (NEWAG) and the Waterfront Design Advisory Committee (WDAC) on November 16 and 21, 2011 respectively, will provide further opportunity for public comment in advance of any Project approval actions.

Next Steps

11/16/11	NEWAG presentation
11/21/11	WDAC review
11/30/11	Anticipated Final EIR and Response to Comments released
1/12/12	Planning Commission consideration of Final EIR, adoption of CEQA findings, General Plan Referral Determination, approval of Conditional Use Permit, approval of Zoning Map Amendment, approval of General Plan Amendment
January 2012	Port Commission adoption of CEQA findings, approval of Land Disposition and Development Agreement, approval of Purchase and Sale Agreement, approval of the Public Trust Exchange, approval of the Management Contract

Should the above approvals be granted, the Project would proceed to the Board of Supervisors for adoption of CEQA findings and approval of transaction documents, including establishing the Infrastructure Financing District.

Prepared by: Phil Williamson, Project Manager
Jonathan Stern, Assistant Deputy Director
Waterfront Development

For: Byron Rhett, Deputy Director
Planning & Development



MEMORANDUM

November 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique A. Moyer *BA PM*
Executive Director

SUBJECT: Informational presentation and staff direction to respond to proposed legislation to amend the San Francisco Planning Code and Zoning Map sponsored by Board of Supervisors President David Chiu

DIRECTOR'S RECOMMENDATION: Receive public comments and staff direction

Overview

On May 3, 2011, Board of Supervisors President David Chiu introduced a proposed ordinance to amend the San Francisco Planning Code and San Francisco Zoning Map, which was forwarded to the San Francisco Planning Department for its review and analysis. The proposed amendments are contained in Board File No. 11-0548, and Planning Department Case Number 2011.0532T.

The proposed amendments are extensive, affecting Planning Code provisions pertaining to parking, awning, signs, open space requirements, and changes in allowances or controls for specified types of land uses. The geographic area of these proposed amendments also is broad, generally affecting areas east of Van Ness Avenue and I-280, between Fisherman's Wharf and the Eastern Neighborhoods area in Potrero Hill, including Port of San Francisco property.

Port staff has met with Planning Department staff and Supervisor Chiu's office to gain an understanding of the proposal and its implications for property under the Port Commission's jurisdiction. This staff report focuses on those issues as outlined in a letter from the Port to the Planning Commission, Port staff proposals to address those issues, and next steps in the legislative process.

THIS PRINT COVERS CALENDAR ITEM NO. 9B

The Planning Commission held a public hearing on the proposal on October 20, 2011, and has set another public hearing for December 15, 2011, at which time it has asked the Planning Department staff to provide preliminary recommendations. Port staff has conducted preliminary outreach to Port stakeholders, but seeks Port Commission direction and broader public input at the November 15, 2011 Port Commission meeting regarding revisions proposed by Port staff to resolve the concerns. With the Port Commission's concurrence, Port staff would work with the Planning Department to include the Port's revisions in the preliminary recommendations for the December 15, 2011 Planning Commission meeting. If new issues or substantive changes emerge, Port staff will report back to the Port Commission for further direction.

Proposed Planning Code Amendments

The proposed Planning Code amendments were authored by Tom Radulovich of Livable City and sponsored by President Chiu. They present a thoughtful, comprehensive approach focused on the following general objectives: 1) actively promote a diverse mix and character of land uses that also support more and better public spaces; 2) establish architectural and urban design standards that improve the quality of development and its relation to the public realm; and 3) promote alternative transportation and other practices to address San Francisco's high standards for sustainability. The scope of the changes is very broad, with over 200 separate amendments proposed throughout the Planning Code. Attachment A is the Planning Department staff report which presents the full review of the proposed amendments. Planning Department staff made a presentation at an informational briefing to the Planning Commission and received comments at a public hearing on October 20, 2011.

Port staff recognizes and supports the underlying objectives of the legislation and most of the proposed provisions. They align well with those of the Port of San Francisco Waterfront Land Use Plan (Waterfront Plan) and the Port's ongoing design and permit review standards and procedures. However, some of the proposed amendments would or could conflict with the needs and obligations of the Port in the context of the Port Commission's duties and responsibilities under the San Francisco Charter and Burton Act.

When the Port Commission initially approved the Waterfront Plan in 1997, the Port and Planning Department staff worked to develop conforming amendments to the San Francisco Planning Code, as well as the City's General Plan and Zoning Map, to establish consistency with the Waterfront Plan. Those Planning Code amendments, approved in 1998, included provisions still in place today (primarily addressed in Planning Code Sections 240, 240.1 and 240.3). They recognize that, in the event of a conflict between the Burton Act and the Planning Code, the Burton Act state legislative requirements would prevail. Those provisions currently are expressed directly for Port properties north of China Basin Channel which, at that time, was where most new development and use changes were expected. In 1998, the planning and zoning controls in effect south of China Basin did not appear to present conflicts with the Burton Act.

Given the breadth of the amendments now proposed, Port staff believes the Planning Code should be revised to provide more explicit acknowledgment of the applicability of the Burton Act to all property under the Port's jurisdiction. In addition, Port staff has flagged

certain aspects of the legislation which present immediate conflicts, or where we question the viability of some of the proposed controls. Port staff attended the October 20, 2011 Planning Commission public meeting and submitted a letter outlining these issues, which included a summary of the Port Commission's Burton Act responsibilities. The Port's letter is provided in Attachment B.

Since the October 20, 2011 Planning Commission meeting, Port staff has been working with Supervisor Chiu, Planning Department staff and Mr. Radulovich to resolve the Port's concerns. The issues and proposed solutions are presented below for Port Commission and public review and comment. If supported by the Port Commission, Port staff would work with the Planning Department staff to prepare revisions to the Planning Code amendments.

Parking Controls - Proposed changes in parking regulations would affect many areas, including the Port's C-2 (Commercial Business) zoned "seawall lot" parking lots located north of Broadway. The proposed amendments would change surface parking from a "permitted" use to a "non-permitted" use at these lots, and parking garages would be conditional uses requiring Planning Commission approval. If the amendments are approved, C-2 parking lots would be reclassified to a legal non-conforming use status for five years, after which time the use would no longer be allowed. A five-year sunset deadline presents significant problems that would conflict with the Port's Burton Act obligations by creating a major constraint on the Port Commission's fiduciary and land management responsibilities. Furthermore, the proposed amendments call into question whether short-term temporary or shared uses of parking lots, which the Port has allowed in the past, would preclude a return to parking lot use after the temporary use, before the five year period expired. An example of temporary, short-term uses at parking lots is the weekend farmers market that took place on Seawall Lots 323 and 324 at Broadway and Embarcadero, prior to the Ferry Building rehabilitation project.

The intent to phase out surface parking lots and promote infill development that improves the urban environment and public spaces is consistent with Waterfront Plan objectives. However, converting the Port's parking lots to new development requires a careful public process that is not consistent with the proposed five year deadline. Terminating parking lot use before a new economic use has been approved would present a significant financial threat for the Port. Parking on seawall lots north of Broadway alone generates about \$4.2 million annually for the Port Harbor Fund. Port staff has communicated to Supervisor Chiu and the Planning Commission that this revenue stream is essential to funding Port capital projects, as well as supporting the issuance of Port revenue bonds for waterfront improvements.

In response to these concerns, the Planning Department and Mr. Radulovich have suggested amendments to allow Port parking lots to operate in perpetuity until they can be converted to higher and better uses consistent with the Waterfront Plan, and to allow surface parking on other C-2 lots as a conditional use rather than prohibiting the use. Port staff supports this change and seeks input from the Port Commission regarding its support of these revisions.

Embarcadero Curb Cuts - The proposed Planning Code amendments require conditional use approval for driveways, garage entries, vehicular access or loading access along the east side of The Embarcadero. The intent of this proposal is to protect and support the pedestrian and public access value of the Embarcadero Promenade by limiting vehicle access points which can create conflicts. Port staff concurs with this objective, which is supported by the Waterfront Plan, particularly the policies and criteria of the Waterfront Design & Access Element. In fact, the number of curb cuts has been reduced over the last 10 years as part of new projects and improvements, even though The Embarcadero is the only means of access to the piers and bulkhead buildings. However, Port staff does not support the manner in which this issue is proposed to be regulated. As proposed, if a curb cut must be relocated, even if relocation does not increase the number of curb cuts overall, Planning Commission approval of a conditional use would be required. Port staff believes this would unfairly impact Port business tenants.

Instead, Port staff believes that design review of major Port projects conducted by the Waterfront Design Advisory Committee provides an appropriate forum for reviewing the effects of new curb cuts on The Embarcadero. As a general matter, it is unlikely that there would be a proposal for new vehicular access unless it was part of a larger project. The concerns around vehicle and pedestrian conflicts are more common issues in new development projects, such as was the case for the Exploratorium project. Port staff has discussed with Mr. Radulovich the benefits of modifying the waterfront design review process so that review of major projects includes the project's relationship with adjacent sidewalks and public spaces along The Embarcadero. This would enable recommendations for minimizing or avoiding pedestrian/vehicle conflicts, while responding to project access needs. Port staff believes this approach would be more effective than requiring conditional use approval for new curb cuts.

Waterfront Design Review Changes – As referenced above, a city waterfront design review process is currently in place, as described in Sections 240, 240.1 and 240.3 of the Planning Code. The process is conducted by the Waterfront Design Advisory Committee (WDAC), and currently is required for non-maritime development projects on Port property between Fisherman's Wharf and China Basin. The design review criteria are differentiated between piers and waterfront structures on the east side of The Embarcadero (Waterfront Special Use District 1, described in Section 240.1), and Port seawall lots on the west side of The Embarcadero (Waterfront Special Use District 3, described in Section 240.3). The design review process by the WDAC has served the Port and City well and, as needed, has been integrated with review by BCDC's Design Review Board. This has provided a very effective public forum for implementing appropriate project design. The process considers functional and economic project needs in the context of addressing architectural, historic preservation and public access requirements, as well as the project's broader contributions towards connecting the city with the waterfront. In recognition of the benefits of this process, the Port has presented a broad array of projects to the WDAC for design review, even when not required under the Planning Code. These include maritime and public open space proposals north and south of China Basin Channel, most recently the Pier 27 Cruise Terminal and Northeast Wharf Project, and Blue Greenway open space projects located south of China Basin.

The review of the proposed Planning Code amendments presents an opportunity to also modify the waterfront design review process to apply it Port-wide, for review of major development projects on Port lands from Fisherman's Wharf to India Basin. Given that the City's planning and economic development strategies now focus on changes in Mission Bay and southeast San Francisco, as well as the Port's current efforts to develop Seawall Lot 337, rehabilitate Pier 70, and create Blue Greenway open spaces while protecting Port industrial maritime industries, such projects would benefit from the waterfront design review process. Port staff intends to work with the Planning Department on Planning Code revisions to make this change. And, per the curb cut discussion above, the scope of WDAC's review would include the project's relationship, as applicable, with the major waterfront streets that span the Port waterfront: Terry Francois Boulevard, Illinois Street, and Cargo Way, in addition to The Embarcadero.

The WDAC is a five member body and currently consists of one member each of the senior staff with urban planning or design experience from the Port and Planning Department, and one appointee each made by the Port, the Planning Department, and the Mayor's Office. The appointees must be qualified professionals with experience in architectural, historic, landscape or urban design. Port staff believes it would be helpful to allow the Planning Department and Port the option to appoint a design professional instead of having a senior staff member serve on the WDAC. This would provide flexibility by allowing the Port or Planning Department to appoint a qualified professional to serve instead of a senior staff member during periods when workload or other demands may constrain the ability of staff to serve on the WDAC.

Rezoning of Port Seawall Lots - The proposed amendments include rezoning three Port seawall lots fronting along The Embarcadero between Bay and Powell Streets (Seawall Lots 311, 313 and 314) from Waterfront Special Use District No. (WSUD) 3 to WSUD 2, and Planning Code amendments that add language regarding the waterfront design review process into WSUD 2. These changes do not have any substantive effect other than to switch provisions currently in WSUD 3 to WSUD 2, where they currently do not apply. Port staff does not see a need or basis for this, which would unnecessarily complicate the understanding of how the waterfront design review process relates to Port properties. Thus, staff does not support these proposed rezoning and amendments, and has requested that they be deleted from the legislation.

Recognition of the Burton Act - The Burton Act imposes a number of responsibilities and obligations that require the Port Commission and staff to balance multiple and sometimes competing public objectives. As discussed above, while Port projects to date have and are intended to follow Planning Department's General Plan policies and Planning Code requirements, some of those may conflict with public trust needs. In such instances, the Burton Act requirements would take precedence. As part of the revisions to modify and expand the waterfront design review process to apply Port-wide, Port staff also will work with the Planning Department and President Chiu to develop revisions that formally recognize the Port Commission's Burton Act responsibilities for development and use of all Port properties.

Next Steps

At the conclusion of its public hearing on October 20, 2011, the Planning Commission continued the proposed Planning Code legislation to another public hearing on December 15, 2011. The Planning Commission requested its staff to provide preliminary recommendations for public review and comment on that date. To date, Port staff has conducted preliminary outreach to Port stakeholders, but seeks broader public input at the November 15th Port Commission meeting on these proposals. Port staff seeks Port Commission input and support of the staff analysis presented above, including the proposed revisions to the legislation. With Port Commission support, Port staff will work with the Planning Department to have these revisions included in their preliminary recommendation for the December 15th public hearing.

The Planning Commission indicated that it may be prepared to take action on the Planning Code legislation, including any revisions, in January 2012. Should the process reveal new issues or substantive changes, Port staff would report back to the Port Commission for further direction. The Planning Commission's conclusions are advisory and would be forwarded to the Board of Supervisors, at which time the legislation would undergo further public review and comment by Board committee prior to action by the full Board.

Prepared by: Diane Oshima
Assistant Deputy Director
Waterfront Planning

Attachment A:
Planning Dept staff summary of Planning Code amendments

Attachment B:
Port comment letter to San Francisco Planning Commission, October 17, 2011



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Code Text Change

INFORMATIONAL HEARING DATE: OCTOBER 20, 2011
PROPOSED RECOMMENDATION HEARING DATE: NOVEMBER 10, 2011

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

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415.558.6409

Planning
Information:
415.558.6377

Project Name: Amendments relating to:
Parking, Awning, Signs, Exposure, Open Space, and Limited
Conforming Uses.

Case Number: 2011.0532T [Board File No. 11-0548]

Initiated by: Supervisor Chiu / Introduced May 3, 2011

Staff Contact: Aaron Starr, Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395

Recommendation: **Informational Only**

PLANNING CODE AMENDMENT

The proposed Ordinance would amend the San Francisco Planning Code (herein after "Code") by repealing Sections 136.2, 136.3, 158, 187, 249.15, 263.2, 263.3, 602.25, 602.26, 607.3 and 607.4 and amending various other Code sections to (1) increase the amount of principally permitted parking spaces for dwellings in RC-4 and C-3 Districts, (2) make off-street parking requirements in the Van Ness Special Use District and RC-3 Districts consistent with those of RC-4 Districts, (3) eliminate minimum parking requirements for the Chinatown Mixed Use Districts and North Beach Neighborhood Commercial Districts, (4) allow exceptions from required parking under specified circumstances, (5) amend the restrictions on off-street parking rates and extend them to additional zoning districts, (6) revise sign, awning, canopy and marquee controls in specified zoning districts, (7) increase the permitted use size for limited corner commercial uses in RTO and RM districts, and allow reactivation of lapsed limited commercial uses in R districts, (8) revise the boundaries of and modify parking and screening requirements in the Washington-Broadway and Waterfront Special Use Districts, (9) modify controls for uses and accessory uses in Commercial and Residential-Commercial Districts, (10) permit certain exceptions from exposure and open space requirements for historic buildings, and (11) modify conformity requirements in various use districts; adopting findings, including environmental findings, Section 302 findings, and findings of consistency with the General Plan and the Priority Policies of Code Section 101.1.

Summary of Proposed Changes:

The proposed ordinance aims to advance several goals of the City's General Plan and the Priority Policies of Code Section 101.1, as follows:

Reduce off-street parking requirements in dense, mixed-use neighborhoods located near transit. San Francisco's Code has provided for reduced parking requirements in dense and transit-rich neighborhoods since the 1960s, as a way of reducing traffic congestion, encouraging walking, cycling,

THE HISTORY OF THE CITY OF BOSTON

FROM THE FIRST SETTLEMENT
TO THE PRESENT TIME

BY
JOSEPH NEALE

VOLUME I.

THE CITY OF BOSTON, FROM THE FIRST SETTLEMENT TO THE PRESENT TIME. BY JOSEPH NEALE. VOLUME I. THE CITY OF BOSTON, FROM THE FIRST SETTLEMENT TO THE PRESENT TIME. BY JOSEPH NEALE. VOLUME I.

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and public transit, and making efficient use of scarce land. Code changes in the past decade have eliminated minimum parking requirements in many transit-rich areas of the City, including Rincon Hill (2005), Downtown (2006), The Market & Octavia Plan area (2008), Eastern Neighborhoods (2008), Balboa Park (2009) and for residential uses in Chinatown, North Beach, and Telegraph Hill (2010). This proposed ordinance removes the remaining parking requirements in Chinatown, North Beach, and lower Broadway areas, and reduces residential parking requirements in the Van Ness corridor, which Proposition K (2003) designated as a bus rapid transit corridor. The proposed ordinance would also permit administrative exceptions from minimum parking requirements in the Fisherman's Wharf area (Waterfront SUD #2), and facilitates conversion of automobile service stations located on transit and pedestrian streets to other compatible uses.

Encourage the preservation and reuse of existing buildings. San Francisco's existing buildings contribute to the unique character of San Francisco. Reusing buildings, rather than demolishing and rebuilding them, can preserve the built character of neighborhoods, as well as foster sustainability by conserving the energy and materials embodied in these buildings. Certain provisions of the Code can be difficult for existing buildings to comply with, which limits their potential uses, or can entail a costly and time-consuming variance process for the building owner. This ordinance would permit the conversion of non-conforming uses to residential uses, without regard to density limits or parking requirements, in all districts where residential uses are principally permitted. It establishes an administrative exception process from open space and dwelling unit exposure requirements for historic buildings, and permits dwellings to front onto alleys of 20' or more in width.

Encourage small, neighborhood-serving commercial uses in residential areas. For decades, the Code has recognized that small commercial uses, although often nonconforming, "tend to provide convenience goods and services on a retail basis to meet the frequent and recurring needs of neighborhood residents within a short distance of their homes". Older storefronts are common in residential districts, and can be difficult to convert to residential uses because of lack of privacy and open space. This proposed ordinance would permit storefronts that were in active commercial use before 1960 to be reactivated with conditional use authorization. It also increases the maximum size of new street-corner commercial uses permitted in RTO, RM-3, and RM-4 to 2500 square feet, the size of a typical residential lot, to extend further than 50' from a corner. These changes, if adopted, would make more existing corner retail uses conforming, and to discourage inactive street fronting uses like storage or garage doors on prominent corner lots. This proposed ordinance would also establish an appropriate set of signage standards that takes into account the essentially residential nature of the neighborhoods where these uses are found, with limitations on the size of signs and sign illumination outside of business hours.

Encourage small business formation and retention by increasing flexibility for accessory uses in Commercial, Industrial, and Residential-Commercial Districts. Small businesses that combine office, production, retail, and even residential uses are increasingly common in San Francisco, but frequently do not fit into traditional zoning categories. This proposed ordinance would create more flexibility in zoning around accessory uses, by increasing the maximum square footage for accessory uses in Commercial, Industrial, and Residential-Commercial Districts from one-quarter to one-third of available square footage, and replacing limitations on the horsepower of machines and number of employees in Commercial Districts with a 'good neighbor' performance standard.

Reduce Variances from the Code and Conditional Use Authorizations and increase code compliance. The proposed ordinance seeks to decrease the number of Planning Code variances and conditional use authorizations, by providing administrative process for certain exceptions which are otherwise desirable

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(appropriate reuse of historic buildings, or ensuring the earthquake safety of buildings) and making certain projects or features which conform to general plan and area plan goals (dense residential projects in C-3 districts, and residential projects with less than one space for every two units in C-3 and RC districts) principally permitted. The ordinance also provides more flexibility in converting non-conforming uses to residences where residences are principally permitted.

Allow TDRs to be swapped throughout the C-3. The TDR market is largely at a standstill, allowing transfer of TDRs across C-3 districts will provide further incentives to preserve existing buildings.

Code Simplification: The proposed ordinance seeks to simplify the Code by removing obsolete sections, consolidating controls for a single use or feature into a single code sections, and harmonizing similar definitions and controls across use districts.

The “Big C-3 Compromise”. While this document summarizes themes of the proposed Ordinance by topic area, some of elements of the proposal work across topic areas to achieve goals of the General Plan (such as dense, transit-oriented development in the Downtown) within the framework of the history of approvals by the Department, the Commission and the Board of Supervisors. Recent approvals seem to indicate that the Commission is generally inclined to permit projects in the C-3 with higher levels of parking than the permitted as of right levels of 1 space/ 4 units. With this history in mind, the proposed Ordinance would raise the levels of permitted parking equivalent to the rate historic approval rate with the intent of increasing the rate of approvals for parking beyond the permitted levels. The main elements are:

- **Decontrol for density in the C-3 District.** The proposed Ordinance would amend Section 215 to eliminate the CU for dwelling unit density in excess of an RC-4 district. The proposed controls mimic the form-based control of density developed by the community planning efforts within the C-3 district.
- **Raise “as-of-right” residential parking levels while making higher levels more difficult to attain.** By raising the “by right” ratio from one space for every four units to one space for every two units, the proposed Ordinance seeks to encourage more projects to be built by right. Several new projects, especially rentals, seem to state a desire for parking at 0.5 spaces per unit. If this is the final goal, this level should be allowed “by right” but higher levels of parking should be difficult to secure.
- **Create Disincentives for exceeding the “as-of-right” residential parking rates in the C-3 District.**
 - **Change the process for additional parking from a §309 Exception by the Zoning Administrator to a Conditional Use authorization before the Commission.** By restoring the CU process for excess residential parking, an incentive is created for project sponsors to stay within the by-right amounts. Some have complained that the existing process for the Zoning Administrator to grant exceptions by §309 is too easy.
 - **Count excess parking towards FAR.** By counting non-accessory parking, above-grade parking, and parking in excess of by-right maximums towards gross FAR, the Code would create an incentive for the project sponsor to evaluate how limited project space should be used. The developer can decide how much of their FAR limit should be consumed by parking verses higher uses.;



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- **Exempt certain uses such as affordable housing, inclusionary housing and bicycle parking from FAR.** By exempting affordable housing from Floor-Area Ratio limits in the Downtown Commercial (C-3) and Van Ness Special Use Districts, this Ordinance would provide a significant incentive for construction of affordable projects and the inclusion of affordable units in market rate residential projects rather than their location off-site. State law requires that municipalities provide significant incentives to developers for including affordable units in market rate projects, and this ordinance would further San Francisco's compliance with the California Density Bonus law. Current controls for open space and set backs would remain intact. In this way, the City can incentive uses that are prioritized by the General Plan.

Sections Proposed for Deletion

Sections 136.2, 136.3: These Sections regulate awnings, canopies and marquees in the Mixed Use Districts and the North of Market Residential Special Use District. They are proposed for deletion in order to consolidate these regulations into one section of the Code, 136.1. There is currently little variation between the different awnings, canopies and marquees regulations. Consolidating these Sections would create negligible change in how awnings, canopies and marquees are regulated in these areas.

Section 158: This Section covers the regulations for "major parking garages" in the C-3 Districts. A major parking garage is defined as "any garage for the parking of passenger automobiles, for short- or long-term periods and for any use, which is not classified as an accessory parking facility under Section 204.5 of the Code." This section is being deleted to consolidate the conditional use findings for non-accessory parking in C-3 Districts into a single section. Current findings for approval include 1) freeway access to the proposed site, 2) convenient service to areas of concentrated development, 3) minimization of pedestrian conflict, the breaking of continuity of shopping facilities and drawing of traffic through areas of heavy pedestrian conflict, 4) service patterns of other forms of transportation, 5) establishment of parking rate structure to discourage long-term parking 6) conflict with transit operations and loading zones, 7) objectives and policies of the Downtown Plan, and 8) other criteria deemed appropriate. Consolidating the findings into one Section would likely have minimal effect on regulating garages.

Section 187: This Section regulates Garment Shops and Factories as nonconforming uses. This section dates back to 1960 and is now obsolete and eliminating this Section would have no effect on the City's regulation of uses.

Section 249.15: This Section describes the Restricted Light Industrial Special Use District. This district is no longer in use and eliminating this Section would have no effect on the City's regulation of uses..

Sections 263.2 and 263.3: These Sections establish special height exceptions along the Embarcadero with the intent of encouraging greater flexibility in project design and a gradual stepping down of height of buildings from the Embarcadero toward the bay. Through the Conditional Use authorization process, the existing Code allows the Commission to increase the height of a building north of the Ferry building from 84' to 125' and south of the Ferry Building from 84' to 175'. According to the Height and Bulk Map (HT01) this would impact Piers 1, 3, 24, and property directly to the northwest of the Pier 24. Removing this would eliminate the ability to increase height on these properties with a CU.

Sections 602.25, 602.26: These Sections define Historic Movie Theater Signs and Marquees and refer to Section 188 for controls on their preservation, rehabilitation, or restoration. This section is being deleted

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in order to consolidate definitions and controls for historic signs into one location. No content is being lost in this consolidation.

Section 607.3: This Section establishes the Van Ness Special Sign District. This section is being removed in order to remove the special sign provisions allowed along Van Ness Avenue. The existing Van Ness Special Sign District generally allows signs that are larger than would be permitted if this proposed ordinance were to be adopted.

Section 607.4: This Section establishes special sign controls for the areas zoned RC-4 in the North of Market Special Use District. This is not a designated Special Sign District and is being deleted to bring greater consistency between RC-4 Zoning Districts. This section generally does not provide greater flexibility than would be permitted if this ordinance is adopted.

Specific Changes of Proposed Ordinance Organized by Topic

Current controls are indicated with regular font while *proposed changes and staff analysis are indicated in italic font.*

Use District Changes: Changes in this category would affect the categories for organizing zoning districts but would generally not create any change in the substance of the controls.

1. In Section 202, Residential Transit Oriented (RTO) Districts are currently under their own use district category.

The proposed legislation would put them under Residential Districts. The purpose of this change is to simplify the Code.

2. Section 102.5 lists the various districts in the Code. For instance it defines the different districts that make up R Districts, M Districts, PDR Districts, etc.

This portion of Section 102.5 will be moved to Section 202. The purpose of this is to simplify the Code. It does not appear that there are any substantial changes to these definitions. Two clerical corrections should be made: under the description of RH Districts there is an added parenthesis in front of RH-2, this should be deleted. Also, under the description of PDR Districts "PDR-1-" should be changed to "PDG-1-G."

Gross Floor Area Calculations: Amendments described under this category would alter the way the Department and Commission regulate Gross Floor Area. If a feature or use is counted towards the allowable maximum Gross Floor Area, it may create a disincentive for providing that feature. Similarly, excluding any feature or use from Gross Floor Area calculations may create an incentive for providing that feature.

1. Gross Floor Area in C-3 Districts does not include floor space used for accessory off-street parking and loading spaces.

Gross Floor Area would include floor space used for accessory off-street parking and loading spaces in C-3 Districts, creating an incentive to reduce accessory parking.

2. Affordable dwelling units and group housing is currently included in the Gross Floor Area calculation in C-3 Districts.

Affordable Dwelling units and Group Housing would not be included in Gross Floor Area calculations, creating an incentive to reduce accessory parking.

3. Bicycle parking is currently included in Gross Floor Area calculations.



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Bicycle parking would no longer be included in Gross Floor Area calculations, creating an incentive to dedicate more space to bike parking than required.

4. The definition of Gross Floor Area for all districts excludes accessory off-street parking or loading spaces.

Gross Floor Area in C-3 Districts would include accessory parking¹, but exclude parking permitted as of right, so long as it is located underground, creating an incentive to underground permitted parking.

Open Space: This amendment would likely have impact only on rare occasions.

1. Buildings in the C-3 Districts that are primarily retail (2/3 of the occupied floor area is dedicated to retail) are not required to provide open space.

Buildings in the C-3 Districts that are primarily retail would be required to provide open space at the ratios outlined in Section 138(b) of the Code. Of the 63 large projects in the C-3 reviewed since 2000, only 2 were completely retail. While this isn't a significant change, the Department finds that it doesn't make sense to require retail projects to provide open spaces like other use, such as commercial office space because the nature of the uses are so different.

Automotive Uses: These amendments would both achieve Code simplification by reducing use categories as well as have significant changes to controls by prohibiting or requiring CU for certain uses.

1. There are currently 5 different use categories for automotive sales, based on whether or not business is conducted in an open lot or within a building, and whether or not the business is selling cars, trucks, or trailers.

The proposed legislation would reduce the number of use categories to two, based on whether or not business conducted on an open lot or within a building. This does not significantly change the existing regulations.

2. The Code currently has Automotive Use definitions listed in both Articles 2 and 8.

The proposed legislation would remove the definitions for Automotive Uses in Article 2 that are duplicated in Article 8, and reference the Article 8 definitions in Article 2, creating no substantive changes to the existing controls.

3. Surface public parking lots are principally permitted in C-2 and C-M Districts and require Conditional Use authorization in C-3-S District.

The proposed legislation would prohibit public parking lots in C-2, C-M and C-3-S Districts. Temporary parking lots, like those permitted in the C-3 District, would not be permitted in C-2 and C-M Districts unless the Code was changed to include these districts in the temporary parking lot controls.

4. Parking garages are currently divided up into 5 different categories in Article 2. There are similar definitions in Article 8 of the Code.

The proposed legislation would remove most of the different parking garage categories and reference parking garages in Section 156 and in Article 8. Currently C-2, C-M, M-1 and M-2 Districts allow

¹ "Accessory Parking" is parking that exceeds the minimum parking requirement in the Planning Code, but which is also allowed as of right.



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parking garages as of right; the proposed legislation would now require Conditional Use authorization in all districts where parking garages are currently permitted.

5. Parcel delivery service where the operation is conducted entirely within a completely enclosed building including garage facilities for local delivery trucks, but excluding repair shop facilities are principally permitted in C-3-S and C-M Districts.

The proposed legislation would change the Code to require Conditional Use authorization in C-3-S and C-M Districts for this use. C-3-S District encompasses Yerba Buena Gardens and includes the Convention Center, hotels, museums and cultural facilities, housing, retail, and offices. C-M Districts provide a limited supply of land for certain heavy commercial uses not permitted in other commercial districts. Both Districts have very specific purposes; requiring this use as to receive Conditional Use authorization would still permit the use, but provide greater oversight to ensure that the district is still able to serve it's primary function.

6. Storage garage for commercial passenger vehicles and light delivery trucks requires Conditional Use Authorization in C-3-G Districts and are principally permitted in C-3-S and C-M Districts

This use would be prohibited in C-3-G Districts and require Conditional Use Authorization in C-3-S and C-M Districts. This change is consistent with the definitions and intent of these districts. C-3-S and C-3-G Districts are located within the downtown. C-M Districts tend to be located between C-3 Districts and South of Market Mixed Use Districts. There are very few still in existence.

7. Storage yard for commercial vehicles or trucks, if conducted within an area completely enclosed by a wall or concealing fence not less than six feet high are currently permitted in C-M Districts and require Conditional Use Authorization in C-3-S Districts.

This type of use would not be permitted in either the C-M or C-3-S Districts. This change appears to be consistent with the intent of C-3-S Districts, which encompasses Yerba Buena Gardens and includes the Convention Center, hotels, museums and cultural facilities, housing, retail, and offices. C-M Districts tend to be located between C-3 Districts and South of Market Mixed Use Districts. There are very few still in existence. Prohibiting this use outright in C-M Districts does not appear to be consistent with the intent of this Zoning District, which is designated for heavy commercial uses with an emphasis upon wholesaling and business services. Requiring a CU for this use in C-M Districts would be more consistent with the intent of this district rather than prohibiting them outright.

8. Section 228 limits the ability of Automotive Service Station (gas stations) to convert to other uses. Currently to convert an Automotive Service Station the property owner either needs to obtain a Conditional Use Authorization from the Planning Commission or a conversion determination from the Zoning Administrator. There are no exceptions for Automotive Service Stations that are located on Primary Transit Streets or Citywide Pedestrian Network Streets.

The proposed legislation would exempt Automotive Service Stations that are located on Primary Transit Streets or Citywide Pedestrian Network Streets from the requirements outlined in Section 228. Further the proposed legislation adds two criteria that should be considered when the Commission considers the conversion of an Automotive Service Station.

The two additional criteria are:

- *The importance of the street on which the service station fronts to walking, cycling, and public transit, and the impact of automobile access and egress to the service station and of the proposed new uses and structures on the safety and comfort of pedestrians, cyclists, and transit riders.*



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- The compatibility of the existing service station and of the proposed new use or structure with the General Plan and area plan urban design policies and the street frontage standards of this Code.

The proposed changes are consistent with the City's s Transit First Policy and Better Streets Plan.

Floor Area Ratio Calculations (FAR): FAR is the ratio of the gross floor area of all the buildings on a lot to the area of the lot, and is used in conjunction with height and bulk limitations to regulate the size of a development. Like the proposed changes to Gross Floor Area, amendments in this category would provide either incentives for uses and features not counted towards FAR limits or disincentives for uses and features that are counted towards FAR limits.

1. Affordable Housing and Group Housing are included in FAR calculations

Affordable Housing and Group Housing would be excluded from Floor Area Ratio Calculations in C-3 Districts, creating an incentive to construct more affordable housing. While it would remove affordable housing from FAR limits, it would not impose a unit mix requirement that exists in other areas that provides this exemption. This is consistent with the City's policy on encouraging affordable housing. However, as drafted, this section would appear to exempt the entire building containing BMR units from FAR because Section 401 defines a "affordable housing project" as a building containing any BMR units, not just the square footage of the BMR units themselves. Therefore, the Department recommends clarifying this Section so that only affordable on-site units are exempt from FAR limits by changing the proposed Section 102.9(b)(13) as follows (proposed text underlined):

In C-3 Districts affordable on-site dwelling units or group housing in affordable housing projects, as defined by Section 401 of this Code.

2. Short term parking is excluded from FAR calculations in C-3 Districts.

Short Term parking would be included in FAR calculations in C-3 Districts, creating a disincentive for adding Short Term Parking to new developments in C-3 Districts. This change is consistent with the City's Transit First policy and the Downtown Plan.

3. Dwelling unit density in C-3 Districts is allowed to be exceeded with Conditional Use authorization.

Per the proposed legislation, dwelling unit density would no longer be determined by lot area or FAR calculations, but by other limitations in the Code such as height, bulk, setbacks, open space and exposure. This proposed change is consistent with the City's desire to increase its housing stock in order to meet current and future housing demand.

Parking: Changes in this section would be substantive in that the Ordinance would increase permitted levels of parking in certain instances and would decrease allowable parking in others.

1. Parking is permitted as of right in C-3 Districts at a ratio of 1 parking space to 4 dwelling units. Accessory parking at a ratio greater than 1 to 4 is granted through the Section 309 review.

As-of-right parking would be increased to 1 space per every 2 units. Accessory parking at a ratio greater than that would require Conditional Use authorization and would not be permitted above 3 cars for every 4 dwelling units. While this proposed change increases the amount of parking permitted as-of-right, it also creates a higher standard for parking in excess of what is permitted as of right. Conditional Use authorization is more expensive than Section 309 review and requires that accessory parking be "necessary or desirable"; Section 309 Review does not have such a threshold and is focused on design review. In



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addition, Conditional Use authorization focuses on city wide implications and policies, while Section 309 review focuses on making projects more consistent with the Downtown Plan.

The Department believes that this should include a grandfather clause for any project that has already been approved by the Planning Commission, but which has not yet received its entitlements. Without adding this clause, projects that are currently on-hold waiting for funding would have to come back to the Commission if they did not meet the current parking requirements in C-3 Districts. This would change the rules for some projects that appear to have approvals in place. Any grandfathering clause should also include a time limit for a period of three to five years from the date that this legislation takes place.

2. Required parking for dwelling units in RC-4 Districts is required at a ratio of 1 parking space to 4 dwelling units and parking for dwelling units in RC-3 Districts is currently 1 parking space to 1 dwelling unit.

The proposed legislation would institute a 1 space to 4 unit required parking ratio in all RC Districts. RC Districts are located in dense areas of the city, like the Van Ness Avenue corridor and the Tenderloin. The proposed change is consistent with other transit oriented districts in San Francisco and recognizes the dense, transit rich nature of these districts.

3. Parking requirements for non-residential uses in the Broadway and North Beach Neighborhood Commercial Districts and the Chinatown Mixed Use Districts are regulated by the standard parking requirements in table 151 that apply to much of the city.

The proposed legislation would remove minimum parking requirements for non-residential uses in these districts. Maximum parking requirements for non-residential uses in these districts would be added to Table 151.1. The proposed change is consistent with other transit oriented districts in San Francisco and recognizes the dense, transit rich nature of these districts; however it does not remove minimum parking requirements for residential uses, which has been done in other high density transit rich neighborhoods through a community planning process.

4. Code Section 158.1 regulates non-accessory parking garages in NCT, RTO and the Van Ness and Market Downtown Residential Special Use District. Code Section 158 regulates major parking garages in the C-3 Districts.

The proposed legislation would delete the Section for C-3 District garages contained in Section 158 and move these controls into the newer section developed as part of the Market and Octavia Plan, Section 158.1. New findings would be added to Section 158.1 to ensure that proposed public garages do not conflict with the General Plan or with other modes of traffic. Every use of public property needs to be found conforming with the General Plan so it is not necessary to add this finding to the Code.

5. Section 161 provides exemptions from the parking requirement in certain Zoning Districts and due to certain lot situations, such as topography.

The proposed legislation adds a subsection to Section 161 that allows the Zoning Administrator (hereinafter "ZA") to reduce or waive required parking or loading for a project when the only feasible street frontage for a driveway or entrance to off-street parking or loading is located on a protected pedestrian-, cycling-, or transit-oriented street frontage, or the only feasible street frontage for a driveway or entrance to off-street parking or loading is located at a transit stop. The legislation also adds a provision that would allow the ZA to waive parking requirements to protect street trees with either the recommendation of the Department of Public Works Bureau of Urban Forestry or the recommendation of a certified arborist, consistent with other recently adopted ordinances, BF-101053, "Consistent Street Frontages 2."

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6. Section 161 includes a provision that allows the ZA to waive or reduce parking for principle uses and the Commission to waive or reduce parking for conditional uses in the Waterfront SUDs 1 and 3.

The proposed legislation would add the Waterfront SUD 2 to this provision, which is consistent with other dens, transit rich areas of the City. Waterfront SUDs 1 and 3 are already included in this section.

Transportation and Congestion Management: Changes to this category of uses would generally alter existing text about parking rate structures that are generally ill-enforced. These changes would affect parking facilities approved after the effective date of the Ordinance and would be consistent with the General Plan and efforts of SFMTA staff.

1. Code Section 155(g) restricts the rates parking operators can charge for long term parking in C-3 District in an effort to discourage long-term commuter parking. It currently applies to accessory or conditional use parking that is available for use for long-term parking by downtown workers. This Code section is often found to be confusing in that it currently states "the rate charged for four hours of parking duration is no more than four times the rate charge for the first hour, and the rate charge for eight or more hours of parking duration is no less than 10 times the rate charge for the first hour. Additionally, no discounted parking rate shall be permitted for weekly, monthly or similar time-specific periods."

The proposed legislation would overhaul this section of the Code based on guidance from the MTA. It would also expand this provision to include parking garages located in C-M, DTR, SLR, SSO, SPD, MUG, MUR and MUO Districts, and include non-accessory or principle parking, temporary or permanent. Among other changes it allows for an "early bird" special, where cars enter or leave the garage during off-peak hours, and maintains incentives to discourage long-term commuter parking. It also authorizes the Director of Transportation to establish discount rate structures and time periods without further action by the Board of Supervisors. This proposed Ordinance would not dictate the parking rate to be charged at any location, rather it would establish a framework for rates that seeks to discourage commuter parking.

The Department supports the proposed changes; however, enforcing the current regulations is problematic; the Department agrees with SFMTA staff that these regulations could be implemented more effectively if they were included in the City's Transportation Code, rather than the Planning Code. Therefore, the Department recommends that the Commission recommend to the Board of Supervisors that they consider putting this section in the Transportation Code. Having this section in the Transportation Code would make the new regulations effective retroactively to existing parking garages. If it stays in the Code, it would only apply to new parking garages approved after the effective date of the proposed ordinance; therefore it would have limited impact on long term rate structures.

As a way to transition this section to the Transportation Code, this Section should also be amended to allow the Director of the MTA to enforce this Section of the Code with the following language "The Planning Director may authorize the Director of Transportation to ensure compliance with this section."

2. Section 163 requires property owners to provide an onsite transportation brokerage service and transportation management plan when they construct a new building or there is a conversion of an existing building in the C-3, Eastern Neighborhood and South of Market Mixed Use Districts.

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The proposed legislation would change this section to include C-2 Districts and all Mixed Use Districts; this change is consistent with City's transit first policy and recognizes the dense, transit rich nature of the districts that would be added to this section.

Limited Corner Commercial Uses² (LCCUs) and Limited Commercial Uses³ (LCUs): These changes would generally allow more flexibility with commercial uses in residential districts. While, the Department generally supports these efforts, LCC were developed as part of multiyear planning efforts and should not be amended without more thorough examination.

1. Section 231(b)(3) allows Limited Corner Commercial uses with a maximum of 1,200 sq. ft. in floor area in RTO, RTO-M, RM-3, or RM-4 Districts on or below the ground floor; and on a corner lot with no part of the use extending more than 50 feet in depth from said corner.

The proposed legislation would increase the 50' limit to 100' and the use size from 1,200 sq. ft. to 2,500 sq. ft. consistent with the typical lot size in an R District.

The existing controls were developed as part of 8 year long community planning processes that had particular ideas about what should be permitted in an RTO district. The intent of the corner store in these districts was to allow for neighborhood serving uses, with a very limited capacity and impact on the residential context. Accordingly the Department feels that leaving the controls as currently drafted makes the most sense. Should the commission wish to recommend an increase in the floor area, the Department would ask that it be kept as close to the current controls as possible.

2. Code Section 317 requires mandatory DR to convert one dwelling unit to another use.

The proposed legislation would amend Section 231 to require Conditional Use Authorization in order to convert a dwelling unit into a Limited Corner Commercial Use. The Department doesn't see the benefit to this change. Converting a dwelling unit already requires either a mandatory DR or a Conditional Use hearing; the proposed change appears duplicative without any clear public benefit.

3. The Code does not currently allow lapsed LCUs to be reactivated once that use has been abandoned.

The proposed legislation would allow lapsed LCUs to be reinstated with Conditional Use Authorization so long as the space is located on or below the ground floor and was in commercial or industrial use prior to January 1, 1960; the subject space has not been converted to a dwelling unit; and the proposed commercial use meets all other requirements in the Code. This change will help provide greater convenience for residents by placing more goods and services closer to where they live, which is a hallmark and benefit of living in a dense urban environment. The Department recommends removing the prohibition on reinstituting LCUs that have been converted to residential units. Often, these spaces are not very well suited for residential units since they were originally designed as commercial spaces. Allowing ones that

² "Limited Corner Commercial Uses" are defined in Code § 231 as small neighborhood-oriented establishments provide convenience goods and services on a retail basis to meet the frequent and recurring needs of neighborhood residents within a short walking distance of their homes. They are permitted as of right in RTO and RM Districts.

³ "Limited Commercial Uses" are defined in Code § 186 as nonconforming uses and can be beneficial to or accommodated in Residential Districts. They are not permitted uses, but typically existed prior to changes in the Code that made them noncomplying.



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have been converted to residential units would allow the Commission to determine whether or not the conversion is appropriate on a case by case basis, rather than making a blanket prohibition.

Transfer of Development Rights (TDRs): This proposed change would allow TDRs to be sold across C-3 Districts. The Department believes the market for TDRs is currently gridlocked. By allowing increased flexibility, more properties will be able to sell and use the TDR market.

1. Among other restrictions, TDRs are permitted when the Transfer lot and the Development lot are located in the same C-3 District.

The proposed legislation would allow TDRs to be transferred to and from any C-3 District. The original restriction, which only allowed TDRs within the same C-3 District, was done to ensure that development wasn't concentrated in any one C-3 District. Since the program was enacted, a large percentage of TDRs have been transferred within the same C-3 Districts. Now that the program has been in place for 25 years and many districts in downtown have been built out, it's necessary to liberalize the controls in order to equalize the supply and demand ratio and keep the program alive.

Bike Parking: These changes seek to increase compliance with existing bicycle land use regulations and expand the existing requirements. The Department supports these efforts.

1. Currently, the ZA enforces Bike Parking regulations. There is a \$50/day fine imposed on violations if they have not been abated within 30 days, and fines are deposited with the Department of Parking and Traffic for expenditure by and for the Department's Bicycle Program.

Under the proposed legislation, violations would be handled through the regular Planning Department enforcement procedures and fees for violating this section of the Code would be the same as any other Code violation and fees would still be collected for the MTA's Bicycle Program. The current provision separates out bicycle parking from the rest of the Code provisions without any clear reason. Bike parking violations should be treated like any other Code violation. To that end, the Department believes the money generated from enforcement should go to the Planning Department to cover costs associated with that enforcement, and not to the MTA's Bicycle Program.

2. Bicycle parking is required when you construct a new commercial building or when a commercial building is enlarged and has a construction cost of at least \$1,000,000.00.

The proposed legislation would require bicycle parking when a building undergoes a major change of use: any use involving half or more of the building's square footage, or 10,000 or more square feet or any increase in the amount of off-street automobile parking. This change helps to advance the City's goal of having 20% of trips by bike by 2012.

3. Bicycle Parking is required for new retail buildings, but not new hotels.

The proposed legislation would require bike parking for new hotels under the same rules that apply to Retail Buildings. This change helps to advance the City's goal of having 20% of trips by bike by 2012.



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Non Conforming Uses⁴: The proposed amendments would create a slight incentive in retaining most existing conforming uses while adding protections for group housing, however, the proposed amendments would create a strong disincentive for retaining nonconforming parking in the C-3 District. While these changes appear to be generally consistent with contemporary planning, the Port of San Francisco has expressed concerns about the multitude of demands on Port property.

1. Nonconforming uses in Neighborhood Commercial Districts can be changed to another use that is conditionally permitted in that district without Conditional Use authorization except where major work on the structure is involved.

The proposed legislation would require Conditional Use authorization if a nonconforming use sought to change to a use that would otherwise require a Conditional Use authorization in that zoning district. This change creates more consistency in how uses are permitted in Neighborhood Commercial Districts. This change can add more process when a property owner is attempting to eliminate a nonconforming use.

2. A nonconforming use in an R District may be converted to a dwelling unit without regard to the requirements of this Code with respect to dwelling unit density under Article 2, dimensions, areas and open space under Article 1.2, or off-street parking under Article 1.5.

The proposed legislation adds group housing to this section in addition to dwelling units, and allows the ZA greater flexibility on what provisions of the Code can be waived when replacing a nonconforming use with housing per Code Section 307(h). This provision helps meet the City's current and future demand for affordable housing, special population housing, and housing in general. It also encourages the reuse of existing building stock.

3. Per Section 184, permanent off-street parking lots in the C-3-O, C-3-R and C-3-G Districts are allowed to operate in perpetuity as non-conforming uses.

The proposed legislation would remove this provision, which would require off-street parking lots in the C-3-O, C-3-R and C-3-G Districts to cease operation within 5 years of the adoption of the proposed legislation. After the 5 year window, these parking lots could still apply for a 2-year temporary Conditional Use authorization and would have to come back to the commission every two years to have it renewed as a temporary use. This proposed change is consistent with the goals of the Downtown Plan but may ignore compromises that were embedded in the adoption process of the Downtown Plan. The Department believes two additional steps are needed: first, that more research into the history of the Downtown Plan should be done and second, additional outreach should be provided to the affected business owners prior to instituting this change. Please note, that while there was concern expressed by some members of the public that the proposed change would require surface parking to go out of business immediately after the adoption of this ordinance. From the Department's understanding, this is not the intention of the legislation; to clear up any ambiguity the Department proposes the following change:

(a) Any nonconforming commercial or industrial use of land where no enclosed building is involved in such use, except for permanent off-street parking lots in the C-3-O, C-3-R, C-3-G Districts existing on the effective date of Ordinance 414-85, provided that such lots are screened in the manner required by Section 156(e) except for permanent off-street parking lots in the C-3-O, C-3-R, or C-3-G Districts, which

⁴ A "Nonconforming Use" is a use which was legally permitted at the time it was established, but which currently fails to conform to one or more of the use limitations in the Code.

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shall be eliminated no later than five years and 90 days from the effective date of Ordinance No. [INSERT]:

Accessory Uses: The proposed amendments would regulate accessory uses by performance standards instead of numerical limits that may no longer be appropriate. Other changes would be nonsubstantive in nature.

1. Accessory Uses in RC Districts are governed under Section 204.2.

Under the proposed legislation, Accessory uses in RC District would be covered under Section 204.3, which currently govern accessory uses in C, M and PDR Districts. This change recognizes the mixed use nature of the R-C Districts.

2. Section 204.3, which currently covers accessory uses in C, M and PDR Districts sets specific limitations on accessory uses, such as engine horsepower. It also limits accessory uses to ¼ of the floor area in C-2 Districts and prohibits accessory uses that employ more than 10 people.

The proposed legislation would change the specific restriction, such as horse power, to performance based restrictions (i.e, no noise, vibration or unhealthful emissions beyond the premises). It would also increase to 1/3 of the total square footage that an accessory use could occupy in C-2 Districts and RC Districts (added to this section under this legislation) and remove any limit on the number of employees and accessory use could have. It also removes antennas as a permitted accessory use. This change makes more practical sense. The horsepower limits currently established in the Code can be violated by standard vacuums or coffee grinders. Tying accessory uses to performance based standards allows for greater flexibility.

Streetscape Improvements. These proposed amendments would increase the Code requirements consistent with this recently adopted plan. While the intent is laudable, some of the proposed amendments seem overly aggressive in removing existing encroachments.

1. Code Section 138 establishes requirements for improvements to the public right-of-way associated with development projects based on the City's Better Streets Plan. Typically, these requirements apply to new developments, or additions of a certain size. There are no explicit provisions that require existing encroachments into the public right-of-way to be removed or modified in order to meet the new Better Street Standards.

The proposed legislation would create a new subsection that would require projects that involve new construction, additions over 20% of the floor area, changes in use of more than ½ the building's floor area, the addition off-street loading, or the remove off street parking or loading, to remove or reduce the number of encroachments into the public right-of-way. This may include narrowing or reducing the number of driveways, removing encroachments that impede pedestrian travel or remove basements that extend under the public right-of-way. This proposed change would enhance the efforts to implement the City's Better Streets Plan.

The Department is concerned that this added provision is too broad. For instance, even if one parking space is added or removed a property owner could potentially be required to remedy their existing encroachments. Further tying this provision to a change of use could add a significant burden on property owners that are only seeking to rent out vacant space. The Department feels that the triggers should be narrowed and only include changes where a new building is being constructed, or where there is a

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significant addition; or by identifying a clearer nexus between the types of work being done on the building and the type of improvements that would be required.

The Department would also like to strike out a provision in Section 138(c)(i) that requires streetscape and pedestrian elements in conformance with the Better Streets Plan when there is a permit to alter greater than 50% of the existing square footage of a building. This provisions, like the one proposed in this legislation which ties the removal of encroachments to a change of use greater than 50%, is proving difficult to enforce because changes of use are often over the counter permits, and determining what use was there prior to the proposed change is problematic.

Signs, Awnings and Canopies: The existing sign, awning and canopy controls are unnecessarily complicated. Providing consistency in these regulations is a much needed change. While the Department generally supports these efforts, there are a couple of elements that the Department recommends moderating.

1. Section 136.1 regulates awnings, canopies and marquees for Limited Commercial Uses, ⁵ NC Districts, Eastern Neighborhood Mixed Use Districts and SOMA Mixed Use Districts. Awnings are currently permitted for Limited Conforming Uses, but may not project more than 4' from the face of the building.

Section 136 would regulate awnings, canopies and marquees in all zoning districts. Only Limited Commercial Uses would be permitted to have awnings in Residential and Residential Enclave Districts. Canopies and marquees would not be permitted in Residential or Residential Enclave Districts. This provision helps to simplify the Code by making awning controls consistent throughout the City.

2. Section 136.1 states that awnings can not be less than eight feet above the finished grade and no portion of any awning shall be higher than the windowsill level of the lowest story exclusive of the ground story and mezzanine, provided that no such awning shall in any case exceed a height of 16 feet or the roofline of the building to which it is attached, whichever is lower.

The existing regulations would still apply; in addition awnings would not be able to extend above the bottom of projecting upper-story window bays, or cover and belt cornice or horizontal molding. And where piers or columns define individual store front bays an awning may not cover such piers or columns. The goal here is to make awning controls more inline with the Kearny Mason Market Street awning controls. This provision helps to simplify the Code by making awning controls consistent throughout the City.

3. The Code currently allows nonconforming signs to exists until the end of the sign's normal life.

The proposed legislation adds language to this section of the Code that states: Signs would be brought into conformance when the operation ceases, moves to another location, when a new building is constructed or at the end of the signs natural life. In addition, signs would also be required to be removed within 90 days of the business going out of business. The addition of this provision would provide the Planning Department greater ability to remove signs that are nonconforming.

⁵ Limited Commercial Uses are defined in Code § 186 as nonconforming uses and can be beneficial to or accommodated in Residential Districts. They are not permitted uses, but typically existed prior to changes in the Code that made them noncomplying.



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4. 606(c) Signs for Limited Conforming Uses are currently regulated by the sign requirements in Residential Districts.

New regulations would be inserted into the Code that specifically cover signs for LCUs. These regulations are similar to controls for signs in NC-1 Zoning Districts with some slight variation.

5. Section 607(b) Roof signs are permitted in all C, M, and PDR Districts so long as they conform to a list of specific criteria.

Roof signs would be prohibited in all C Districts; this would include the C-3 Downtown Districts and the C-2 Districts, which are generally located along the northeast waterfront and Stonestown Mall.

6. Signs are currently allowed to be up to 100' in C-3 Districts, and 40' in all other C and M Districts.

Signs in all C and M Districts would be limited to 40' in height. This would include the C-3 Downtown Districts and the C-2 Districts, which are generally located along the Northeast Waterfront and Stonestown Mall. M Districts include the piers along the Northeast Waterfront and south of the Bay Bridge, as well as parcels located in Mission Bay, Eastern Neighborhoods and the Bayview/Hunters Point area. The Department doesn't find that the 100' height limit is problematic in the C-3 District given the scale of the District. It recommends either keeping the height at 100' or reducing it to no less than 60'.

7. Signs in RC Districts are regulated under Section 606, which also regulates all signs in Residential Districts.

Signs in RC Districts, which include some of San Francisco's densest neighborhoods such as the Tenderloin and areas along Van Ness Avenue, would now be regulated by the controls in Section 607.1, which currently regulates signs in NC Districts. This proposed change is intended to make controls in various mixed use districts consistent.

8. Signs for Gas Stations can project 10 above the roof line.

Gas stations signs could not project above the roof line.

9. The Embarcadero is not included in the list of Scenic Street Special Sign District. Scenic Street Special Sign District Controls, general advertising signs and signs exceeding 200 square feet in area are prohibited on any portion of a property that is within 200 feet of any street included on this list. New General Advertising signs are banned in the City, but existing general advertising signs can be moved to other areas of the City, including the Embarcadero, with approval from the Planning Commission and Board of Supervisors.

The Embarcadero would be included on this list. Signs would be restricted to 200 sq. ft. and general advertising signs would be prohibited. While the Department thinks it is appropriate to add the Embarcadero to the Scenic Street Special Sign District list, it is concerned about impacts this would have on the ability of large events along the Embarcadero, such the America's Cup, to install temporary signs during the event that don't meet the requirements of the Scenic Street Special Sign District controls.

10. Section 602.25 and Section 602.26 contain provisions for Historic Movie Theater Signs and Marquees respectively. Section 188(e) contains provisions that allow Historic Movie Theater Signs and marquees to be preserved and enhanced. Section 602.9 contains provisions for Vintage Signs.

The proposed ordinance deletes sections 602.25 and 602.26 and consolidates those controls under Section 602.9, the recently revised Vintage Sign controls. While the Department supports the consolidation, the

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proposed legislation should be amended to reflect the recent change to Section 602.9, keeping a clear distinction between Vintage Signs and Historic Movie Theater Signs and Marquees. Also, the process for preserving and enhancing Historic Movie Theater Signs and Marquees is different than establishing a Vintage Sign and this distinction should be made clear in this section by adding a subsection titled "Application for Historic Movie Theater Signs and Marquees" that details the current process for designating Historic Movie Theater Signs and Marquees.

The Department would like the prohibition on logos stricken from the proposed text for Section 602.9(e)(5)(B)(ii). Often signs and marquees are restored with the help of businesses or corporations and in return a small logo of that business is placed on the marquee or sign. As written the controls require that new lettering be in character with the lettering on the movie theater signboard and staff has what is appropriate on these signs. The Department believes that these controls are sufficient enough to stop any egregious logos from appearing on historic movie theater sign boards.

Washington-Broadway and Waterfront Special Use Districts: Combining the districts to remove duplicative controls seems to be largely a good step towards simplifying the Code. However, there are substantive changes that may affect Port property and/or the America's Cup.

1. See map for new boundaries of Washington-Broadway SUD and Waterfront SUD.
2. There are two Washington-Broadway SUDs. The only difference is that Washington Broadway Special Use District 2 principally permits wholesale uses.

The two Washington-Broadway SUDs would be combined into one. This provision helps simplify the Code and provides greater consistency in the Washington-Broadway SUD. Combining the SUDs would make Wholesaling Establishments principally permitted in the entire district. However, the Washington Broadway SUD 1 contains residential and neighborhood commercial zoning districts that may not be compatible with Wholesaling Establishments; therefore the Department recommends removing the provision that allows Wholesale Establishments as of right in the proposed district. The C-2 Zoning District already principally permits Wholesale Establishments; therefore removing this provision will still allow Wholesale Establishments to operate in the area previously known as Washington-Broadway SUD 2.

A clerical error should be addressed in this section; the proposed legislation still reads "...there shall be two Washington-Broadway SUDs". It should read "...there shall be the Washington-Broadway SUD."

3. Parking is only required for residential uses in the Washington-Broadway SUDs, but other uses are exempt per section 161(d).

The proposed legislation would make parking not required for any use under the rules in Code Section 161(d). Parking maximums would be set by zoning district in Section 151.1. A clerical error should be addressed in this section; this legislation changes 161(d) to 161(e). The language in this section should refer to 161(e).

4. Parking lots open to the public are permitted with Conditional Use Authorization.

The proposed legislation would no longer permit permanent parking lots; however temporary parking lots would be permitted as a temporary use for up to two years. Port property is under multiple demands from the State Lands Trust, the General Plan and the Waterfront Land Use Plan. The Department recommends reviewing comments from the Port staff on the implications of this change with regard to the multiple demands as well as on the properties to be used as parking for the Americas Cup.



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5. Off-street parking requirements cannot be waived by Section 161 of this Code in the Waterfront Special Use District 2, but can be in the Waterfront Special Use Districts 1 and 3.

Parking for any principle or conditional use may be waived by the ZA per Code Section 161 in all three Waterfront Special Use Districts. A clerical error should be addressed in this section; this legislation changes 161(f) to 161(g). The language in this section should refer to 161(g).

6. In both the Waterfront Special Use Districts 2 and 3, any use, whether principal or accessory, not screened from view from adjacent streets and other public areas, with certain exceptions such as temporary uses, limited accessory off-street parking areas, or off-street parking areas under the jurisdiction of the Port of San Francisco, is permitted only upon approval by the Planning Commission as with Conditional Use authorization under Section 303 of this Code. The proposed legislation is not changing Waterfront SUD 1.

This provision would be deleted in both Waterfront SUDs 2 and 3. In Waterfront SUD 2, this section will be replaced with language that would require any new development under the Port's jurisdiction of at least one-half an acre be subject to the Waterfront Design Review Process, as outlined under Section 240(c). This same language is already included in the Waterfront SUD 3. The intent of striking out this provision is to subject Waterfront SUDs 2 and 3 to the City's street frontage requirements. The Waterfront Design Review Process is undertaken by the Waterfront Design Advisory Committee, which is staffed by a mayoral appointee and by staff from the Planning Department and the Port. Again, the Department seeks guidance from the Port of San Francisco on this matter.

Van Ness Special Use District: The proposed Ordinance would amend this district so that it was more in line with current planning practices. While it would remove affordable housing from FAR limits, it would not impose a unit mix requirement that exists in other areas that provides this exemption.

1. Floor Area Ratio limits apply to all housing in the Van Ness Special Use District.

The proposed legislation would exempt affordable housing projects, as defined by Section 401, from the FAR limits, which would encourage developers to build more affordable housing. In other areas of the City where affordable housing is exempt from FAR, there is a unit mix requirement. This legislation does not establish one in this district.

2. Van Ness Special Use District includes a Special Sign District that allows for directly illuminated signs that are larger and taller than what would be permitted in the RC-4 Zoning District.

The proposed legislation would remove the specific sign provisions for the Van Ness Special Use District. This area would now be controlled by the provisions in Section 606, which allow for smaller signs that are not directly illuminated. It would also reduce the permitted height of projecting signs from 24' to 14'. Businesses would also be required to turn off illumination when the business is closed. This area has had and will continue to have an increase in residential units. The purpose of the proposed change is to recognize that transition by making the sign controls along Van Ness more compatible with residential uses.

1. The Van Ness Special Use District requires residential parking at a ratio of 1 parking space to 1 dwelling unit; RC-4 Districts require residential parking at a ratio of 1 parking space to every 4 dwelling units.

This provision would be removed from the Van Ness Special Use District. The parking requirement would revert to the parking controls for the zoning district, which for this area of Van Ness is RC-4. RC-4

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parking requirements are currently required at a ratio of 1 parking space to every 4 dwelling units; this would not change under the proposed legislation.

Powers of the ZA: The proposed Ordinance would expand the powers of the ZA but only when specific parameters are met.

1. The Code currently allows the ZA to waive certain Code requirements under certain circumstances such as parking, exposure requirements and open space requirements.

The proposed legislation would expand the ZA's authority by allowing him to waive Dwelling Unit Exposure requirements for Article 11 buildings, consistent with the ZA's current authority to waive Dwelling Unit Exposure requirements for Article 10 buildings. For Article 10 and 11 buildings it would also permit the ZA to allow off-site publicly accessible open space to be credited toward the residential open space requirements. The proposed legislation would also permit the ZA to waive or modify exposure requirements, rear yard requirements and open space requirements when converting a non-conforming use to a residential use, with certain restrictions and criteria.

REQUESTED COMMISSION ACTION

No action is required today. The proposed Ordinance is before the Commission for informational purposes only. The Department will prepare complete recommendations for the Commission's next hearing, tentatively scheduled for November, 10 2011.

While there is no action calendared for today, the Department seeks feedback on these specific questions in preparation for the upcoming November 10, 2011 hearing:

1. The proposed Ordinance would remove provisions that allow temporary parking and parking in the C-2 and C-3 districts. While these changes are generally in line with City policy, the Department requests your input on these changes as the changes may effect properties with various demands such as the Port property. (See page 6 "Automotive Uses" item #3 and page 13 "Nonconforming Uses" item #3 of this report for more detail.)
2. The proposed Ordinance would create a "C-3" compromise that would allow more off-street residential parking to be permitted "as-of-right" but would make additional changes to make it more difficult to exceed "as-of-right." Does the Commission support this approach? (See page 8 "Parking" item #1 of this report for more detail.)
3. The proposed Ordinance makes amendments that are often more in line with current planning practices. However, while the proposed Ordinance removes affordable housing from FAR limits in the Van Ness SUD, it would not impose a unit mix requirement that exists in other areas that provides this exemption.

ENVIRONMENTAL REVIEW

The proposal to amend the Code by repealing Sections 136.2, 136.3, 158, 187, 249.15, 263.2, 263.3, 602.25, 602.26, 607.3 and 607.4 and amending various other Code sections would result in no physical impact on the environment. The proposed legislation was determined to be exempt from environmental review under the General Rule Exclusion (Section 15061(b)(3) of the CEQA Guidelines).

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PUBLIC COMMENT

As of the date of this report, the Planning Department has received comments and questions on the proposed legislation from various members of the public, including the Port of San Francisco, the law firm Ruben and Junius, and Steven L. Vettel.

Ruben and Junius is concerned about the legislation's changes to the parking requirements in the C-3 Zoning district, specifically the provision that would require CU for any parking beyond the 2 to 1 ratio. They felt that this added process without any clear benefit. They also expressed concern over the changes to Section 184 that would require surface parking lots to be removed after 5 years. Their concern is that it would make the operators cease operation immediately upon the adoption of the proposed ordinance. Staff's understanding is that they would have 5 years unit they ceased operation. Also, they expressed concern that several entitled projects that are currently on-hold would be required to go back through the entitlement process when they came to get their building permit if they did not meet the current Code requirements. As a remedy to this they wanted to see a grandfathering clause added to the legislation.

Steven L. Vettel, an Attorney with Farella Braun + Martel LLP expressed concern that the legislation would exempt any project with affordable housing units from the FAR calculations. In response Staff has clarified this section so that only units that are designated as Affordable are exempt from FAR calculations.

The Port of San Francisco contacted the Department about how the proposed project would affect their properties. The Port has concerns about how some of the proposed amendments would apply to land under the jurisdiction of the Port Commission, especially in the context of the Port Commission's duties and responsibilities under the San Francisco Charter and Burton Act. The Burton Act is the state legislation which promulgated the transfer of former State tidelands to the City and County of San Francisco. A more detailed response to the legislation will be coming from the Port in a separate letter.

Attachments:

Exhibit A: Board of Supervisors File No. 11-0548
Exhibit B: Letters



October 17, 2011

Christina Olague, President
San Francisco Planning Commission
San Francisco Planning Department
1650 Mission Street
San Francisco, CA 94107

RE: Planning Code Text Changes, Case File 2011.0532T [Board File No. 11-0548]

Dear President Olague:

We thank you and your staff, Aaron Starr and AnMarie Rodgers, for meeting with us to help understand the Planning Code amendments proposed by Supervisor Chiu. We understand the proposed changes as a comprehensive strategy to expand and improve the quality of public spaces, promote architectural and urban design practices that improve the quality of development and its relation to the public realm, and promote alternative transportation and other practices that respond to San Francisco's high standards for sustainability. These are important public objectives, and align with many of the Port of San Francisco's efforts to improve the San Francisco waterfront.

While we understand the intent of the proposal, we have some concerns about how some of the proposed amendments that apply to Port property are reviewed in the context of the Port Commission's duties and responsibilities under the San Francisco Charter and Burton Act, the state legislation which promulgated the transfer of former State tidelands to the City and County of San Francisco. This is a topic with which many in the public may not be familiar, and thus we appreciate the opportunity to provide a summary regarding the Burton Act.

Port Overview

Most of the Port's property is public trust land and is subject to use limitations in the Burton Act (California Statutes of 1968, Chapter 1333, as amended). Under the Burton Act, the Port is the trustee of these Public Trust lands and is responsible for managing and developing them to promote navigation, fisheries, water borne commerce, uses which enhance natural resources or attract people to use and enjoy San Francisco Bay.

The Port of San Francisco Waterfront Land Use Plan, and accompanying Waterfront Design & Access Element (Waterfront Plan) set forth comprehensive land use and urban design goals, policies and criteria for all property under its jurisdiction. Prior to its approval by the Port Commission in 1997 and in the months that followed, the Port and Planning Department staff worked to develop conforming amendments to establish consistency between the Waterfront Plan and the San Francisco General Plan, Planning Code and Zoning Map. These included the creation and amendment of two special use



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districts, Waterfront Special Use Districts No. 1 and No. 3, described in Planning Code Sections 240, 240.1 and 240.3. While the Planning Department and Port staff found that their respective plans provided consistent direction on the appropriate land use and development of Port properties, Section 240 recognizes that in the event of a conflict between the Burton Act and the Planning Code, the Burton Act state legislative requirements would prevail.

Section 240 also includes procedures for creating a Waterfront Design Advisory Committee (WDAC) made up of appointees by the Mayor's Office, Planning Department and Port to carry out a waterfront design review process of Port development projects, to ensure they meet the applicable provisions of the Waterfront Plan. The WDAC has reviewed all the major development projects that have occurred along the waterfront over the past 10 years, including the historic rehabilitation of the Ferry Building and Downtown Ferry Terminal, Pier 1, Piers 1-1/2, 3, 5, and most recently the Exploratorium. The WDAC also has provided City design direction for the new waterfront public open spaces, large and small, including Pier 43 Promenade, Brannan Street Wharf, Rincon Park, and Heron's Head Park. We are especially grateful to have Commissioner Kathrin Moore as a member of the WDAC, because one of the key objectives of the Waterfront Plan and the design review process is to guide new projects that connect the city with the waterfront. The WDAC has been further enlightened by the integration of its review process with that of BCD's Design Review Board. Together the collective expertise of these two bodies have brought together the perspectives of a vital urban center and neighborhoods, a variety of port maritime and public access experiences, and the environmental resource of San Francisco Bay.

Another aspect of the Burton Act and the San Francisco Charter that has great bearing on the Port Commission's duties is the fiduciary responsibility to manage and improve properties on a self-sustaining basis. Neither the State nor City have ongoing general fund or financial responsibility to maintain and improve the waterfront. The Port is free to apply for and has secured grants and other funding, and in 2008 was grateful to earn the support of San Francisco voters to fund new waterfront open space projects. But, the Port's core financial base to support its operating and capital improvement budgets and projects derives from lease revenues for use of Port facilities. Under the Burton Act, these funds must be maintained in a separate account, the Harbor Fund, for exclusive use to improve the waterfront. The lease proceeds enable the Port to issue revenue bonds to fund maritime, historic preservation, environmental, and public access improvement projects along the waterfront. Presently, the Port's 10-year Capital Plan includes \$2.1 billion in project needs, which emphasizes the need to protect and leverage its financial resources and opportunities.

Planning Code Concerns

The proposed Planning Code amendments are numerous and we appreciate the effort of such a comprehensive overhaul. We have focused on provisions that affect use and development of properties under the Port's jurisdiction. In general, we support the initiatives and find that many align with existing Port policies. Our concerns narrow down to the following issues, and we would appreciate further guidance from your staff to address them:

- 1) There are a number of changes in parking regulations proposed, including for C-2 zoned sites. Our understanding is that the amendments currently proposed would change parking lots from a permitted use to a non-permitted use, and parking garages would be conditional uses. Existing C-2 parking lots, which include Port "seawall lot" parking north of Broadway, would have a legal non-conforming use status for five years, after which time they would no longer be allowed. We have further concerns that perhaps even short-term temporary alternate use (e.g. the use of Broadway/Embarcadero parking lot for weekend Farmer's Market prior to development of the Ferry Building) could be determined a change in use that precluded return to parking lot use, under the proposed legislation.

We understand the intent of the provisions, to phase out surface parking lots and promote sustainable, attractive infill development with alternative transportation and public realm improvements. In fact, they align with the Waterfront Plan, which promote development of commercial and residential uses, and accompanying public improvements that create a more appropriate urban character to frame the west side of The Embarcadero. However, five years is too short a timeframe to effect such transformations. The proposed parking lot restrictions also present a significant financial threat for the Port; parking on seawall lots north of Broadway alone generates about \$ 4.2 million annually for the Harbor Fund. This revenue stream is essential not only to fund Port capital projects, but to support issuance of Port revenue bonds. Revenue bonds are an important public financing tool that enables the Port to leverage outside investment in public trust and maritime public projects such as the proposed James R. Herman Cruise Terminal project, and development of the Pier 90-94 Backlands in the Bayview Hunters Point/Southern Waterfront. Thus, while surface parking lots are an interim use of these seawall lots, they are very important to the financial stability of the Port and its responsibilities under the Burton Act. Accordingly, the Port does not support the proposed controls for these parking lots.

- 2) The proposed Planning Code amendments require a conditional use for driveways, garage entries, vehicular access or loading access along the east side of The Embarcadero. We understand the intent of this proposal but it raises questions about implementation. Further, we believe there are more effective ways of addressing this concern. As a general matter, it is unlikely that there would be a proposal for new vehicular access unless it was part of a larger project. Given its history as an industrial complex, there are numerous existing curb cuts and access points to the piers and wharves, many of which no longer are used and are gradually being phased out without any regulation. The concerns around vehicle and pedestrian conflicts are more common issues in new development projects, such as was the case for the Exploratorium project. That project review enlightened the Port, development partner and the public of the need for more concerted focus on the design and interface of new projects on the Embarcadero. We believe the existing waterfront design review process per Section 240 is the appropriate venue for evaluating the impacts and public realm concerns of vehicle access as part of an overall project review, rather than creating a separate conditional use requirement for this one element.

THE
FEDERAL
BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D. C. 20535

TO : DIRECTOR, FBI (100-442100)
FROM : SAC, NEW YORK (100-100000)
SUBJECT: [Illegible]
RE: [Illegible]

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The proposed amendments include rezoning three Port seawall lots fronting along The Embarcadero between Bay and Powell Streets from Waterfront Special Use District No. (WSUD) 3 to WSUD 2, along with Planning Code amendments that add new language regarding the waterfront design review process into WSUD 2. These changes do not have any substantive effect other than to introduce the waterfront design process into a special use district where it currently does not apply. WSUD 3 provisions have provided clear guidance for design review of Port development projects on seawall lots north of China Basin, and we do not see a need to treat the three northern seawall lots differently from those to the south. We believe the proposed change unnecessarily complicates the understanding of which Port properties are subject to the waterfront design review process. Thus, we do not support these proposed Zoning Map and Planning Code amendments.

- 3) As reflected in the Port overview discussion above, the Burton Act imposes a number of responsibilities and obligations that require the Port Commission and staff to balance multiple and sometimes competing public objectives. While Port projects to date have and are intended to follow Planning Department General Plan and Planning Code policies, some may conflict with public trust needs. In such instances, the Burton Act requirements would take precedence. We would request the guidance from staff as to how the Burton Act requirements described in Section 240 can be better understood as the context for applying Planning Code regulations for Port properties.

We appreciate the efforts of staff to educate us on this legislative proposal. Given the technical detail and breadth, we are aware that there are people who are confused about what is proposed or have questions that have not been addressed yet. We applaud the Planning staff's decision to provide an informational briefing and hope there is time afforded for public to gain a better understanding of this comprehensive set of amendments.

Thank you for your help and attention. We look forward to working together further to address these issues.

Sincerely,



Diane Oshima
Asst. Deputy Director, Waterfront Planning

cc: Members Planning Commissioners
President David Chiu, San Francisco Board of Supervisors
John Rahaim
Aaron Starr
AnMarie Rodgers
Monique Moyer





MEMORANDUM

November 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation regarding project approvals for the 34th America's Cup

DIRECTOR'S RECOMMENDATION: Informational Only – No Action Required

OVERVIEW

The purpose of this memorandum is to provide the Port Commission and the public with information in advance of upcoming actions sought for the environmental review and approval actions needed for the 34th America's Cup and next steps, commencing in December 2011 and continuing through early 2012.

BACKGROUND

The Defender of the America's Cup, the Golden Gate Yacht Club ("GGYC"), which has the right and duty to organize the 34th America's Cup, formed the America's Cup Event Authority, LLC (the "Authority") to provide professional management and financial resources to AC34, in cooperation with America's Cup Race Management ("ACRM") in accordance with the Protocol for the 34th America's Cup.

GGYC selected San Francisco as the host city for AC34 on December 31, 2010. Under the 34th America's Cup Host and Venue Agreement (the "HVA") among the Authority, the City, and the America's Cup Organizing Committee (the "ACOC") effective as of January 4, 2011, certain of the America's Cup World Series pre-regattas, the America's Cup Challenger Series, the America's Cup Defender Series (if held), and the America's Cup Match will be held in San Francisco Bay.

THIS PRINT COVERS CALENDAR ITEM NO. 9C



Under the HVA, subject to its reserved rights as lead agency pursuant to the California Environmental Quality Act (CEQA), the City agreed to provide Port land and water areas (the "Venues") to the Authority for AC34-related uses rent-free under leases and licenses; the Authority agreed to make certain capital improvements to improve the Venues and other Port property with the Port's approval; and the City agreed to reimburse the Authority for its costs through a combination of public sources, rent credits and long-term development rights to certain Port sites.

Since signing the HVA the City, Port and Authority have worked with regulatory partners toward completing environmental review, permitting and other regulatory processes. The City has targeted completion of the CEQA process by the end of 2011. In order to accomplish this goal the San Francisco Planning Department, Environmental Planning Division published a Notice of Preparation of an environmental impact report (EIR) on February 9, 2011. The Draft EIR analyzing potential impacts of the 34th America's Cup, the Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Plaza was published on July 9, 2011. The City expects to release the Final EIR (the Draft EIR and Response to Comments on the Draft EIR) in late November 2011. A Planning Commission hearing to consider the sufficiency of the Final EIR is tentatively scheduled in December, 2011.

THE AC 34 EVENT PLAN

The primary AC34 events will occur in 2013. The Louis Vuitton Cup, America's Cup Challenger Series would begin with opening ceremonies on July 4, 2013, and continue through September 2013. Up to 44 race days and 34 non-race days are anticipated during this time, depending on the number of teams competing and whether a Defender Series is held. The winner of the Louis Vuitton Cup would face the America's Cup Defender, Oracle Racing, in the America's Cup Finals during races held from September 7 - 22, 2013. The planned race area would generally be used during the hours of 12 p.m. to 5 p.m. on scheduled race days, and races would take place over a period of 30 minutes to 1½ hours depending on the course, with approximately 10 – 15 minutes between races. The number of races could range from one to several over the course of the day. The primary event venues on Port property are the America's Cup Village on the northern waterfront focused at Piers 27-29 and team Industrial Bases at Piers 30-32. Each of these sites would have supporting uses in surrounding facilities. These venues are described in detail below.

America's Cup Village - Piers 27-29, 23, 19 and 19½. Piers 27-29 would serve as the America's Cup Village for the events in 2013. The "core and shell" of the future Cruise Ship Terminal building would be constructed in 2012 and used as the main team hospitality/corporate hospitality base and for private events. In addition, a tented private event space and a private event seating space would be constructed near the tip of Piers 27-29, near the finish line. The Pier 29 shed would be used for merchandise/retail/services, including a food court, restrooms, ticket sales, and merchandising. Additional temporary structures for merchandising and ticketing would be located on the Piers 27-29 deck, with a boat display, welcome center, and bleacher-style event seating oriented towards a stage/video screen with tickets available for the paying public. Approximately 830 linear feet, 12-foot-wide floating docks, gangways



and 48 helical anchors would be installed on the south of Pier 29 and the east end of Piers 27-29 for sponsor and private spectator boats. There would be significant, new public access on Piers 27-29.

Pier 23 would house a media center, an international broadcast center, television production and studios, and/or commercial/retail activities. Approximately four 200-square-foot temporary broadcast booths would be set up at the northeastern end of the pier apron and up to 10 satellite dishes may be located on the Pier 23 east apron to assist in filming the boats crossing the finishing line near Piers 27-29. Approximately 780 linear feet of 12-foot-wide floating docks, gangways, and six, 25-square-foot concrete block anchors would be installed on the north side of Pier 23. Public access would be provided along a portion of the north apron of Pier 23 and on the adjacent floating dock.

Pier 19 and the Pier 19½ shed would be used for race management and event operations. Temporary structures and installations that would be constructed in the Pier 19 shed would consist of a race operations center, workshops, catered cafeteria for staff, media, and volunteers, a volunteer center, credentials and ancillary office and storage. Pier 19½ would be used for truck loading, deliveries, parking, and possibly commercial/retail activities. The south apron of Pier 19 would be improved and approximately 600 linear feet of eight-foot-wide floating docks would be installed on the north side of Pier 19 for race management boats. Public access would be provided on the south apron of Pier 19.

Team Industrial Bases - Piers 26, 28 and 30-32. Piers 30-32 would serve as the primary base for the racing teams. On the pier deck, temporary tents (up to 40 feet high) and support containers, modular offices to house team base operations and for equipment storage would be installed for up to 10 America's Cup teams for boat work, storage and maintenance facilities, office space, parking, and team hospitality uses. Up to two tower cranes would be located along the south side of Piers 30-32 to lift racing yachts into and out of the adjacent water basin. Floating docks and moorings are proposed along the south side of Piers 30-32 within the Brannan Street Open Water Basin and floating docks are proposed on the north side of Piers 30-32. Public access would be provided on-site. Seawall Lot ("SWL") 330 and Piers 26 and 28 would be used for team operations, storage and parking within the existing sheds with minor interior modification.

Pier 80. In 2013, Pier 80 would serve as the team base location for the Oracle Racing team and teams that could not be accommodated at the primary team bases at Piers 30-32. The existing Shed A building would be used for boat fabrication and repairs. Temporary tents (up to 40 feet high) would be used for team base support, fabrication, assembly and storage, and an additional area at Pier 80 would be used for team catering facilities. Two 200-foot-high tower cranes would be installed along the south side of Pier 80 for temporary boat lifts. The project sponsors are considering an alternative helicopter pad at Treasure Island that would eliminate the need for one at Pier 80, as contemplated by the Host and Venue Agreement. All improvements at Pier 80 would be removed by December 2013.



Additionally the Authority would have spectator viewing and hospitality uses at the following non-Port sites:

- Alcatraz Island (for private events after-hours)
- Fort Baker (for private events)
- Crissy Field
- East Crissy Field/West Marina Green
- Marina Green.
- Fort Mason
- Aquatic Park

2012 AMERICA'S CUP WORLD SERIES

The America's Cup World Series would be held in San Francisco during two regattas currently scheduled for August 11 to August 19, 2012 and August 27 to September 2, 2012. During each of the regattas, 6 days would be planned race days (for a total of 12 race days in 2012). Race days would occur on Saturday and Sunday (with a break on Monday and Tuesday) and resume again Wednesday through Sunday. The planned on-water race area would generally be used from 12 p.m. to 5 p.m. on scheduled race days and each race would take place over a period of 30 minutes to 1½ hours, depending on the course, with approximately 10-15 minutes between races. The number of races per day could range from one to several over the course of the day. The primary event venues for 2012 would be north of Port property with Pier 80 utilized as temporary team base. The Piers 27-29 and Piers 30-32 venues would be under construction in 2012.

AC 34 LONG TERM DEVELOPMENT RIGHTS

In order to prepare Port facilities for the AC34 events, the Authority will make improvements at a number of Port facilities including repairs and improvements to the Piers 30-32 deck and substructure, the Pier 19 South apron, Pier 27-29 work (including Piers 27 Shed and Pier 29 East Shed removal, Pier 29 end wall construction and Pier 29 pile repairs, stormwater improvements and shoreside power relocation), dredging of the Piers 32-36 basin, and Pier 64 removal. Dredging of the Piers 14 North and South water areas and a portion of Pier 9 South water area is also contemplated to provide spectator vessel berthing locations in addition to berthing contemplated along Pier 27. These improvements must be performed before the AC34 events to be eligible for reimbursement through long-term development rights except for pile replacements, substructure strengthening and deck repairs on Piers 30-32, which may be deferred for up to five years following the expiration of the AC34 event Venue Lease.

To enable the Authority to recover its investment in Port infrastructure and subject to the City's reserved rights as lead agency under CEQA, the HVA calls for the City to enter into a disposition and development agreement (DDA) under which it would convey to the Authority fee title to SWL 330 and long term development rights to Piers 30-32 in exchange for \$55 million of Authority expenditures on Port improvements. Long-term development is proposed on Piers 30-32 and SWL Lot 330 after the Authority has completed environmental analysis and permitting of its proposed development.

Piers 30-32 and SWL Lot 330 are designated in the Port's Waterfront Land Use Plan as a maritime mixed use development opportunity area. Based on current Port policy and



site requirements, Piers 30-32 and SWL Lot 330 are viable for the America's Cup races and related activities, and for subsequent long-term development.

If the Authority expends more than \$55 million on permanent Port improvements, the HVA and DDA call for the Authority to receive rent credits that can be repaid by infrastructure finance district (IFD)¹ bond proceeds, long-term leases on other Port facilities used as venues for the AC34 events, or direct repayment of specific improvements at the City's election within 180 days of approving the improvement. Because the amount of the Authority investment is not yet known, the amount and form of the repayment of these rent credits is unknown. The DDA will specify the procedures of determining rent credits and the City's repayment of rent credits.

In addition to the long-term development rights discussed above, the Authority can receive long-term leases at Piers 26 or 28 in exchange for performing additional work on these Port facilities. The Authority can perform this additional work up to ten years after the AC34 events and be eligible for long-term leases at these facilities. The Authority has not submitted any plans to perform improvements at Piers 26 and 28 before the AC34 events or indicated if it will exercise its right to long-term leases at these facilities.

Additionally, Authority dredging can lead to long-term development rights for marina uses in the dredged water basins. These potential long-term rights are discussed below.

PORT AND CITY APPROVALS

In December, the Planning Commission will consider certification of the Final EIR (FEIR). Once the FEIR is certified decision-makers, including the Port Commission, must review and adopt CEQA findings prior to taking any actions on either the AC34 or Pier 27 Projects. Project approvals for these Port projects will be considered separately by the Port Commission.

Subsequent to Planning Commission certification Port Staff will seek the following actions from the Port Commission:

- Port Commission adoption of CEQA findings and mitigation monitoring program
- Port Commission approval of the Disposition and Development Agreement for AC34 venues (DDA)
- Port Commission approval of the Form of Venue Leases and Licenses per DDA
- Port Commission approval of a Transfer Agreement for Seawall Lot 330
- Port Commission approval of the Event Relocation Plan
- Port Commission endorsement of a resolution of intention to form an IFD on AC34 long-term development sites

¹ The San Francisco Board of Supervisors may approve *infrastructure financing districts* (IFDs) on Port property pursuant to Gov. Code §§ 53395-53397.11, as amended by SB 1085 (Migden), AB 1199 (Ammiano), and AB 664 (Ammiano). IFDs permit the capture of future growth in property taxes for up to 45 years to fund publicly-oriented improvements on Port property, such as utilities, substructure repairs, parks and historic rehabilitation.



The Port's Chief Harbor Engineer will also issue building permits associated with proposed work that will be performed by the Authority at Port Venues.

Concurrently, Port staff will seek actions to implement Phase 1 construction items related to the Pier 27 James R. Herman Cruise Terminal project in order to fulfill obligations under the HVA. These items will include amending the Turner Construction Company contract to complete Phase 1 improvements as well as increasing funding for the joint venture design team of KMD Architects/Pfau Long Architecture and Department of Public Works for Phase 1 construction support work.

Other City Commissions

A number of other City agencies are expected to undertake approval actions associated with the Event, as follows:

- Recreation and Parks Commission approval of a Marina Green Special Use Permit
- Treasure Island Development Authority Board approval of helipad lease
- Municipal Transportation Authority approval of the People Plan
- San Francisco Redevelopment Agency Approval of any potential AC34-related temporary or permanent activities or facilities within the Rincon Point South Beach Redevelopment Area

Board of Supervisors

The Board of Supervisors will take several actions related to the final decisions related to staging the 34th America's Cup in San Francisco, including:

- Approve a resolution of intention to form an IFD
- Adopt AC34 and James R. Herman CEQA Findings
- Approve procedures to determine the Authority's long-term development rights, with specific proposed development and use at each future development site subject to further analysis pursuant to CEQA
- Approve various work plans required pursuant to the HVA, e.g., the People Plan, Workforce Plan, Zero Waste Plan,
- Approve IFD financing plan and form IFD

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC) – SAN FRANCISCO BAY PLAN AMENDMENTS

The Port and the Authority have applied to amend BCDC's San Francisco Waterfront Special Area Plan (SAP) to allow the following activities associated with the AC34 events:

- temporarily use the Brannan Street Wharf Open Water Basin to moor team racing yachts and several large, private yachts for AC34 events;



- temporarily berth large, private yachts in a portion of the Rincon Point Open Water Basin from the northern boundary of Rincon Park to Pier 14 (preserving views of the Bay from Rincon Park);
- temporarily berth large, private yachts in the Broadway Open Water Basin; and
- temporarily berth a variety of vessels in the Northeast Wharf Open Water Basin.

BCDC staff has determined that the proposed uses during the AC34 events are inconsistent with the current open water basin policies in the SAP. The amendment would allow temporary mooring and berthing of vessels in all four of the designated open water basins.

Two of the four open water basins are also contemplated for long-term uses based on the HVA. Subject to the City's reserved rights as lead agency under CEQA, the HVA states that the dredging of the Rincon Point Open Water Basin and the Brannan Street Wharf Open Water Basin will provide the Authority with long-term rights in these areas, as follows:

- exclusive rights to negotiate a recreational marina lease in the Rincon Point Open Water Basin, triggered by the dredging necessary for the temporary use for purposes of mooring large spectator vessels; and
- exclusive rights to negotiate a recreational marina lease in the Brannan Street Wharf Open Water Basin, triggered by the dredging necessary for or purposes of mooring large spectator vessels.

On November 3, 2011, BCDC voted to initiate the process to consider these amendment requests. While the amendment requests are for temporary uses only, and do not ask BCDC to approve any long-term marina use, several BCDC Commissioners expressed concerns regarding the right to negotiate long-term development rights that are triggered by dredging for the temporary uses.

In addition to seeking an action on SAP amendments, the Port and the Authority also must secure approval of a Major BCDC Permit for construction and programming of improvements on the venue sites at Port property and Marina Green. The primary issues reviewed through the Major Permit are whether the project involves a minimal amount of bay fill (which would be created primarily through construction of temporary docks) and provides maximum feasible public access to the Bay. AC34 programming on facilities under National Park Service jurisdiction is subject to BCDC approval, pursuant to the federal Coastal Zone Management Act.

OTHER PERMITTING ACTIONS

As further described in the EIR, multiple state and federal partners are expected to take actions following the City's approvals.



Construction and Operations-Related Permitting

United States Army Corps of Engineers

- Marine Protection, Research and Sanctuaries Act of 1972, Section 103
- Rivers and Harbors Act, Section 10

United States Fish and Wildlife Service

- Consultation under Section 7 of the Federal Endangered Species Act, in conjunction with federal permitting

National Marine Fisheries Service

- Consultation under Section 7 of the Federal Endangered Species Act, in conjunction with federal permitting
- Incidental Harassment Authorization under the Marine Mammal Protection Act (MMPA)

National Historic Preservation Act Section 106 Compliance

- State Historic Preservation Officer consultation, in conjunction with federal permitting

San Francisco Bay Conservation and Development Commission

- Approval of a Major Permit for fill and uses in San Francisco Bay and the Bay shoreline

California State Lands Commission

- Consultation regarding use plan, permit dredging, and Public Trust determination

California Regional Water Quality Control Board, San Francisco Bay Region

- Section 401 Water Quality Certification
- Construction General Permit coverage
- Approval of a Stormwater Pollution Prevention Plan
- Industrial Stormwater Permit

California Department of Fish and Game

- California Endangered Species Act Take Assessment and possible 2081 Incidental Take Permit

Bay Area Air Quality Management District

- Authority to Construct and Permit to Operate applicable facilities

Event-Related Permitting

Federal Aviation Administration

- Determination of flight area requirements



National Park Service

- Permits to use Golden Gate National Recreation Area (GGNRA) and San Francisco Maritime National Historical Park (SAFR) lands, including Crissy Field, Fort Mason, Aquatic Park, Fort Baker Pier at Cavallo Point, and Alcatraz
- Section 106 Historic preservation consultation with the National Park Service, Golden Gate National Recreation Area in accordance with its Memorandum of Agreement with the State Historic Preservation Office

Presidio Trust

- Permits to use portions of Crissy Field within its jurisdiction

United States Coast Guard

- Marine Event Permit for activities including regattas, fireworks displays, and other events held on the navigable waters of the United States.
- Special Local Regulation (SLR) to establish regulations in conjunction with AC34 race area that are deemed necessary to insure safety on the navigable waters, including public safety, vessel traffic safety, and protection of the environment on waters of the Bay.

NEXT STEPS

Port staff expects to return to the Port Commission in December 2011 for consideration of AC34-related actions outlined above.

Prepared by: Jonathan Stern, Asst. Deputy Director, Planning & Development
Brad Benson, Special Projects Manager
Diane Oshima, Asst. Deputy Director, Planning & Development
Kelley Capone, AC34 Environmental Project Manager, Engineering





MEMORANDUM

November 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director 

SUBJECT: Affordable Housing Development on Port Non-Trust Property

DIRECTOR'S RECOMMENDATION: Informational Presentation Only

Executive Summary

This memo and informational presentation begins a policy conversation about fostering two important goals: provision of affordable housing and rehabilitation of the extraordinary historic resources and park and open space opportunities at Pier 70 – a 65 acre site south of Mission Bay.

San Francisco has long recognized that new residential and commercial real estate development increases the need for affordable housing in the city. The Planning Code has provisions to secure affordable housing either through inclusion in a project or payment of fees. As the Port of San Francisco develops its properties, these provisions apply to new development. Additional national, state, and local programs fund affordable housing development through a range of grants, loans and tax incentives. In San Francisco, the scarcity, and high cost of land, is one of the impediments to affordable housing development.

The concept for Port Commission consideration is whether to use a Port inland site, no longer needed for waterfront use, in the Northern Waterfront for affordable housing and thereby accelerating the redevelopment of Pier 70 through a reduced affordable housing development fee at that site. As a whole, the City will gain the same value of resources for affordable housing and may be able to locate affordable housing in a waterfront neighborhood where it is very difficult to build such housing.

THIS PRINT COVERS CALENDAR ITEM NO. 9D



Overview

This memo discusses potential options by which the Port can explore a different approach to assist the Port in meeting the City's affordable housing requirements by considering an affordable housing development on Port property. These options include:

- Potential legislation amending the City's Jobs-Housing Linkage Ordinance to provide for an alternative means of allowing the Port to meet affordable housing obligations with provision of land for affordable housing purposes;
- Initiating a public discussion at the Port Commission and Port advisory groups about potential affordable housing at Seawall Lot 322-1 (SWL 322-1), bounded by Broadway, Front and Vallejo Streets;
- Initiating discussions with the Mayor's Office of Housing (MOH) regarding the feasibility of affordable housing at SWL 322-1, including a financial feasibility analysis;
- Considering with MOH and the community using the land value of SWL 322-1 as a means of paying a portion the Port's expected Jobs-Housing Linkage derived from Pier 70 development, to further the historic rehabilitation, open space and economic development goals of that project; and
- Initiating discussions with the California State Lands Commission regarding the potential for state legislation to lift the public trust use restrictions from SWL 322-1 to enable consideration of non-trust uses such as housing while providing benefit to public trust lands at Pier 70 by accelerating the new development at that site.

Jobs-Housing Linkage Ordinance and Inclusionary Affordable Housing Program

The San Francisco Planning Code provides for the imposition of Jobs-Housing Linkage Program¹ (JHLP) fees on development of most types of commercial development to offset the new demand for affordable housing produced by new employment. Current fees range from \$14.70/s.f. for new research and development space to \$22.06/s.f. for new office space. Most types of commercial/institutional development on Port property are subject to fees in the Planning Code, including Jobs-Housing Linkage fees.

The City's Inclusionary Affordable Housing Program² allows developers of residential housing projects to meet the City's inclusionary affordable housing requirements by choosing among the following options:

1. Payment of a fee, according to a schedule calculated annually by the MOH, sufficient to facilitate the development of affordable rental or for-sale units equal to at least 20% of the total market-rate units in the project;

¹ Planning Code §§ 413.1 through 413.11

² Planning Code §§ 415.1 through 415.11



2. Development of on-site affordable units equal to at least 15% of the total market-rate units in the project that are to be (a) sold at prices affordable to households with no more than 90% of Area Median Income³ or (b) rented at rents affordable to households with no more than 55% of Area Median Income; or
3. Development of off-site affordable units equal to at least 20% of the total market-rate units in the project located within one mile of the project that are to be sold at prices affordable to households with no more than 70% of Area Median Income.

Development Challenges: Port-wide and Pier 70 Specific

As trustee of public trust lands, the Port strives to use lands under its jurisdiction for productive purposes that are consistent with the public trust and applicable land use regulations, including the Port's Waterfront Land Use Plan. In particular, the Waterfront Land Use Plan identified Opportunity Sites where new development would enhance the waterfront experience without compromising the Port's maritime objectives. These efforts to redeploy vacant piers and parcels are often frustrated by the extraordinary costs of waterfront development:

- Port lands are predominantly filled tidelands, requiring expensive pile supports to ensure seismic safety;
- Port lands include numerous historic structures listed on or eligible for listing on the National Register of Historic Places that require costly rehabilitation;
- Some Port lands are brownfields requiring environmental remediation; and
- Both the McAteer-Petris Act⁴, under which the San Francisco Bay Conservation and Development Commission regulates shoreline development, and the public trust promote high-quality shoreline public access in the form of parks and open space.

To address the high costs of waterfront development, the Port requires flexible financing strategies to address project costs, which include associated development exactions imposed by the City. For example, the Port's Pier 70 Master Plan contemplates a mixed-use development at Pier 70 that faces all of the challenges enumerated above. The Port has assembled some unique financing tools to further the Pier 70 Master Plan:

- Proposition D, the Pier 70 charter amendment and Proposition A Clean and Safe Neighborhood Parks Bond, both due to the generosity of San Francisco voters; and
- AB 1199 Pier 70 Infrastructure Financing District amendments (Assemblymember Tom Ammiano).

Even with these financing tools, the Pier 70 project requires additional, flexible financing strategies.

³ MOH publishes an annual schedule of Area Median Income levels for households in SF.

⁴ California Gov. Code §§ 66600 et seq.



One approach to addressing these requirements would be to seek an amendment to City's Jobs-Housing Linkage Program legislation that would authorize the Port and MOH to agree to alternative methods of meeting JHLP obligations for private development on Port lands that are not subject to land use restrictions imposed by the public trust. If enacted by the Board of Supervisors, this approach would create a mechanism to provide land for affordable housing in exchange for credits against JHLP fees owed at other Port development locations, such as at Pier 70. This approach would provide valuable resources for affordable housing in the City, provide the Port flexibility in structuring JHLP obligations to mitigate financial hardships caused by economic cycles, and improve the financial feasibility of Port development at Pier 70.

With more than 3,000,000 square feet of commercial development, the Port and its developers of the Pier 70 project will have to contribute millions of dollars in Jobs-Housing Linkage funding to the Citywide Affordable Housing Fund.

Port staff recommends approaching the Mayor's Office of Housing and members of the San Francisco Board of Supervisors to discuss possible amendments to the Jobs-Housing Linkage Ordinance to facilitate this type of payment mechanism for the Port.

Affordable Housing on SWL 322-1

The anticipated JHLP requirement associated with development of Pier 70 prompts the need to evaluate options that may allow the Port to leverage the high land value of property under its control. Accordingly, Port staff has focused on four seawall lots in the Northeast Waterfront subarea, between Broadway and Bay Street, west of The Embarcadero. The Waterfront Land Use Plan identifies the following to be acceptable uses of these sites: residential, open space/public access, general office, hotels, parking and retail. All of the seawall lots are subject to public trust restrictions which exclude the development of housing. The Waterfront Land Use Plan allows residential and other non-trust uses on these inland sites because they reflect the existing mix of uses in the surrounding area. However, the development of housing would require consultation, review and approval by the California State Lands Commission⁵, and ultimately a requirement to pursue state legislation.

The current zoning for these sites is C-2 (Community Business), which allows all these uses as permitted or as conditional uses. New development on three of the seawall lots that front on The Embarcadero is subject to a height limit of 40 feet. The fourth site, SWL 322-1 has a 65 foot height limit. Given its greater development potential, and that it is located furthest upland, away from the water, SWL 322-1 appears to offer the greatest affordable housing development opportunity. Port staff proposes to conduct a

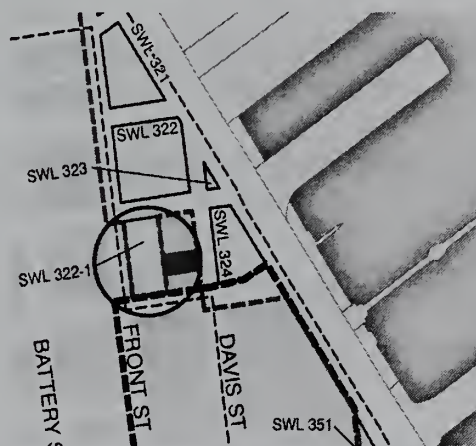
⁵ In 2007, the Port sought legislation to terminate trust restrictions to fund the Port's sizable capital requirements – SB 815 (Migden). This legislation was closely negotiated with the California State Lands Commission (SLC) staff. The legislation found that the lands on the west side of The Embarcadero which were cut off from the water (first by the construction of the Embarcadero Freeway, and later by construction of The Embarcadero Roadway, represented a fairly small portion of the Port's public trust holdings, and were useless for trust purposes. Port staff believes that with proper community consensus, the Port could approach the SLC again to discuss terminating trust use restrictions on SWL 322-1.

development feasibility analysis to further study the potential of this use at this site, and report its findings back to the Port Commission.

SWL 322-1 – shown in Figure 1 below – is a 37,823 square foot rectangular parcel bounded by Broadway, Front and Vallejo Streets. The lot is located in the Northeast Waterfront Historic District, where any new non-trust development must meet design standards of Article 10 of the San Francisco Planning Code.

The Waterfront Land Use Plan considers the following to be acceptable uses of 322-1: residential, open space/public access, general office, hotels, parking and retail. Previously, the lot was part of a Port hotel development offering that included SWL 324. The selected hotel proposal was not approved. The Port currently earns \$47,152 a month (approximately \$570,000 annually) from monthly and daily parking at SWL 322-1.

Figure 1: SWL 322-1, bounded by Broadway, Front and Vallejo Streets



To determine if affordable housing would be an appropriate land use for SWL 322-1, Port staff recommends the following approach:

1. Schedule one or more hearings at the Port's Northeast Waterfront Advisory Group to examine the site, and surrounding land uses and proposed development. These public meetings would examine whether an affordable housing project on SWL 322-1 would be an appropriate use of the site, and could be designed in a manner that would meet the criteria for development in the Northeast Waterfront Historic District.
2. Approach the Mayor's Office of Housing to determine if the site is appropriate for affordable housing development and meets the requirements of MOH for the types of projects it funds and develops. If so, work with MOH to develop a conceptual design for the project and a companion funding strategy.
3. As this site is in the Northeast Waterfront Historic District, seek a hearing of the Historic Preservation Commission to consider possible approaches to developing SWL 322-1 for affordable housing.



If the Port Commission approves such a public outreach approach, Port staff will conduct this outreach and return to the Port Commission with a preliminary concept for affordable housing development at this site, if outreach determines that such a project is feasible.

Next Steps

If the Port Commission directs Port staff to do so, staff recommends the following steps, as discussed in this memorandum:

- Initiate discussions with the Mayor's Office of Housing and the San Francisco Board of Supervisors regarding potential legislation to amend the City's Jobs-Housing Linkage Ordinance to provide for an alternative means of allowing the Port and its development partners to meet affordable housing requirements associated with development at Pier 70, by land freed from trust use restrictions for affordable housing purposes rather than cash JHLO payments;
- Initiate a public discussion at the Northeast Waterfront Advisory Group about the potential to build affordable housing at SWL 322-1;
- Initiate discussions with the Mayor's Office of Housing regarding the feasibility of building affordable housing at SWL 322-1;
- Approach the Historic Preservation Commission to discuss how an affordable housing project on SWL 322-1 could be designed to meet the design requirements of Article 10 of the Planning Code related to the Northeast Waterfront Historic District; and
- Initiate discussions with the California State Lands Commission regarding the potential for state legislation to lift the public trust use restrictions from SWL 322-1 to enable consideration of non-trust uses such as housing at the site.

Port staff will return to the Port Commission to report on the results of these discussions and to seek further policy direction.

Prepared by: Brad Benson, Special Projects Manager

Kathleen Diohep, Pier 70 Project Manager



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**NOVEMBER 15, 2011
MINUTES OF THE MEETING**

**MEMBERS, PORT COMMISSION
HON. KIMBERLY BRANDON, PRESIDENT
HON. ANN LAZARUS, VICE PRESIDENT
HON. FRANCIS X. CROWLEY
HON. DOREEN WOO HO
HON. LESLIE KATZ**

**MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY**

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE SPECIAL MEETING NOVEMBER 15, 2011

1. CALL TO ORDER / ROLL CALL

Commission Vice President Ann Lazarus called the meeting to order at 2:01 p.m. The following Commissioners were present: Ann Lazarus, Francis X. Crowley and Doreen Woo Ho. Commissioner Leslie Katz arrived at 2:45 p.m. Commission President Kimberly Brandon was not present.

2. APPROVAL OF MINUTES – October 25, 2011

ACTION: Commissioner Crowley moved approval; Commissioner Ho seconded the motion. All of the Commissioners were in favor; the minutes of the October 25, 2011 meeting were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

ACTION: Commissioner Ho moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

At 2:02 p.m., the Commission withdrew to executive session to discuss the following matters:

- (1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative:**
 - a. Property: Seawall Lot 351
Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning and Development
*Negotiating Party: San Francisco Waterfront Partners II, LLC: Simon Snellgrove
 - b. Property: Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330
Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning & Development and Brad Benson, Special Projects Manager

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT
NO. 1000

1. The first part of the report describes the experimental work carried out during the year 1955. The results of the experiments are presented in the form of tables and graphs. The tables show the values of the various quantities measured, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

2. The second part of the report describes the theoretical work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

3. The third part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

4. The fourth part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

5. The fifth part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

6. The sixth part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

7. The seventh part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

8. The eighth part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

9. The ninth part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

10. The tenth part of the report describes the work carried out during the year 1955. The results of the calculations are presented in the form of tables and graphs. The tables show the values of the various quantities calculated, and the graphs show the variation of these quantities with the various parameters. The results are discussed in the text, and the conclusions are drawn from the data.

5. RECONVENE IN OPEN SESSION

At 3:23 p.m., the Port Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Crowley made a motion to adjourn executive session and reconvene in open session; Commissioner Katz seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Crowley made a motion not to disclose any information discussed in executive session. Commissioner Ho seconded the motion. All of the Commissioners were in favor.

6. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.

B. Announcement of Time Allotment for Public Comments

A member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report: Acting Executive Director Byron Rhett reported the following:

• Commendation for Assemblyman Tom Ammiano

Brad Benson, Special Projects Manager representing the Special Projects Group including Trisha Prashad, who works on state legislation and the City Attorney's Office, particularly Joanne Sakai, who has been key in our efforts over the last couple of years, indicated that this year was a banner year for the Port in Sacramento, and it was due to the efforts of Assemblymember Tom Ammiano who carried two critical bills for the Port. AB 664 is a bill that allowed the Port to capture additional tax increment financing associated with America's Cup sites to be able to help finance the cruise terminal project. It

was an extraordinary ask and a difficult year. Assemblymember Tom Ammiano and his staff navigated the process to get that bill over the finish line. AB 418 was a bill initially to help Pier 70. Pier 70 is a project that many Port staff are pouring their hearts and souls into. It's a 65-acre site at the foot of Potrero Hill and potential new national register historic district with major new parks. There were some complicated public trust issues that needed state legislative action in order to let that development move forward. Assemblymember Tom Ammiano and his staff carried that bill and late in the day helped the Port to work through some public trust issues associated with the America's Cup as well.

Brad Benson indicated that Tom Ammiano is a dear friend, he's been a mentor to him, and it meant so much for him to be able to work with Tom even now at the Port while he's up in Sacramento. On behalf of all Port staff and the Port Commission, he thanked Assemblymember Tom Ammiano for all his hard work on the bills.

Assemblymember Tom Ammiano indicated that in Sacramento the Port is held in high regard, particularly because of people like Mr. Benson who come up and argue the case. Sometimes Republicans at least profess a love for San Francisco, but then when it comes down to it, they're quite different in their support. On this one, they came around, and it felt good. What makes this a little special is our previous governor, Mr. Schwarzenegger vetoed the first bill rather poetically and he rejected his veto and his offer. Being a good San Franciscan like we all are, he came right back with the same bill when we were asked to sign the bill. It's been an honor to continue to work with the Port. This is truly a treasure of San Francisco's. It's been overlooked for a very long time, and he knows that everyone is dedicated to making this a world-class Port and we have the staff that can help do that.

Commissioner Lazarus read the inscription and presented the plaque to Assemblymember Ammiano: "In recognition and appreciation of Assemblymember Tom Ammiano for unparalleled commitment and leadership to the Port and 34th America's Cup effort through Assembly Bills 418 and 664."

Commissioner Lazarus added that as Brad alluded to, it goes back more years than just this past year, and we're very fortunate that when we sent him up to Sacramento, we brought Brad over to the Port so that they could continue to collaborate. They've been the dynamic duo as far as giving us so many more arrows in the quiver at the Port. We are truly grateful.

- Commendation for California State Lands Commission Staff

Brad Benson indicated that at the Port, we are working with a complex set of laws and policies that are designed to make sure that we maintain a public waterfront, that it's here for not just San Franciscans, but people around the State to enjoy in a variety of capacities, whether it's recreational or maritime

or the other endeavors along the Port. There are two agencies with whom we have to work most with in order to accomplish our goals, and they are the California State Lands Commission and the San Francisco Bay Conservation and Development Commission. Grace Kato is the audience representing the Executive Director and the remainder of the staff at the California State Lands Commission, including Curtis Fossum and Jennifer Lucchesi and others.

As we worked on AB 418 and looked at the issues pertaining to the Pier 70 development and also to the America's Cup and how we could pull off the deal that the City proposed to enter with the host and venue agreement, we confronted some public trust issues related to the San Francisco waterfront that were new and different than we had ever encountered before. The creativity of State Lands staff, their commitment to help the Port to come up with solutions that would help the waterfront, the ability to help the Port navigate the legislative process, they are really trusted by the legislative staff up in Sacramento, are really amazing and remarkable. We cannot thank the State Lands Commission staff enough for their work on AB 418.

Grace Kato, on behalf of Curtis Fossum and Jennifer Lucchesi, she commended the Port Commissioners and Port staff with regards to having a wonderful relationship with the State Lands Commission. We cherish that relationship, especially in scenarios like AB 418 where there are some difficult issues that come up. Our history shows that our relationship of respect and open communication has fostered some positive development and redevelopment of the San Francisco waterfront. They look forward to many more opportunities to work with the Port Commission and with the Port staff, and commend the Port staff for all of the hard work that they've put into all of the issues around the waterfront.

Commissioner Lazarus read the inscription and presented the plaque to Grace Kato: "In recognition and appreciation of the staff at California State Lands Commission, in recognition specifically of Curtis Fossum, Jennifer Lucchesi and Grace Kato for extraordinary creativity and waterfront stewardship through Assembly Bill 418."

Commissioner Lazarus added that we look forward to continued cooperation and collaboration with State Lands Commission. We all have the same goals, and it is very rewarding and satisfying to have that kind of partnership.

- America's Cup Selects Aquarium of the Bay as Lead Healthy Ocean Project Partner – October 17, 2011

The America's Cup Event Authority has selected Aquarium by the Bay as well as other leaders and estuary and ocean conservation research and sustainability as partners in their Healthy Oceans Project. The kickoff was held on October 17, 2011. This was part of the America's Cup's effort to indicate that this is more than a sport. We want to build on the reputation that San Francisco has as a model of sustainability by putting this program



together. They have the ambitious goal of a multifaceted outreach program related to it and that would involve public service announcements, identification on all America's Cup votes and also multiple outreach events. This program is related to Clean Regattas Standards as it relates to the race, bay and ocean conservation as well as environmental stewardship. The program will be a part of all America's Cup events and the paraphernalia would be prominently displayed at all events that will start with the World Series in San Diego on November 16-20, 2011.

- In Memoriam – Captain Richard “Jack” Frost, founder of San Francisco Tug Company – October 29, 2011

We've lost another of the icons along the waterfront. Captain Richard Frost died on October 29, 2011. Mr. Frost was born in Arizona, lived on a cattle ranch until he joined the Navy in 1939 at the age of 18. In the Navy, he was given the nickname Jack Frost and used that name for the rest of his life. He was aboard the Battleship Tennessee when it was bombed at Pearl Harbor. He also served on an aircraft carrier and salvage tug in the South Pacific during World War II. After the war, Jack was a tugboat captain as well as a docking pilot on San Francisco Bay. He was a partner in the American Navigation Tugboat Company and eventually started his own company, Bay and Delta Towing, which is currently known as Bay Delta Marine, a Port tenant. He retired in 1993. One of his contemporaries, Captain Miller, indicated that he was one of the most respected pilots on San Francisco Bay, always demanded by the agents and owners for the most difficult and challenging jobs along the bay. He is survived by his wife, Magdalena, and his daughter, Deanna Charlesworth.

- B. Informational presentation by the San Francisco Bicycle Coalition on Bike Safety and Cycling in the City. (Verbal Presentation)

Kanya Dorland, Port Planner, indicated that we wanted a chance to address the concerns raised by the Port Commission regarding bicycle safety in the Ferry Building area and along the Embarcadero. We've been working with the Municipal Transportation Agency, the city traffic engineers and bike planners for the city, on measures to address safety in the Ferry Building area. These measures include repainting the area crosswalks, installing signs on the promenade that state that you should share the path and optimizing the traffic signal timing along the length of the Embarcadero to improve the crossing time and give transit priority signalization. The Port and MTA staffs are also considering options for improving the bike lane right in front of the Ferry Building area such as adding green paint or other alternatives. In addition, the Port and MTA staffs along with the San Francisco Police Department and the San Francisco Bike Coalition (SFBC) have been discussing ways to add additional safety warnings, education and enforcement in the area. As a part of this effort, Leah Shahum, the Executive Director of the Bicycle Coalition will present the existing and growing demand for bicycling in the area and SFBC's Safety and Outreach Programs. Also in the audience is Peter Albert with the Municipal

Transportation Agency who can respond to questions regarding the proposed America's Cup transportation improvements.

Leah Shahum, Executive Director of the San Francisco Bicycle Coalition, thanked the Port Commission for the opportunity to share a little bit about their work in partnership with the Port and other city agencies. The San Francisco Bicycle Coalition is a 12,000 member non-profit in the city, the largest bicycle advocacy organization in the country at either the local or the State level. They appreciate the opportunity to share their work with the Port Commission and their partnership with the Port in making sure that the waterfront and all of the resources and services that the Port offers are as safe and accessible as possible. A large part of their everyday work at the coalition is making the streets safer for the growing number of people walking, biking, taking transit and getting around our beautiful city.

There has been an increase of people biking. Seven in ten San Franciscans ride their bike in the City. People like me bike to work every day or a family out on Sunday streets. Here's a picture of the Embarcadero Sunday streets from last year, folks who may be coming out to ride recreationally or to explore the City and the waterfront by bike every now and then. Official MTA counts show a 58 percent increase in the number of people biking just in the last four years. Our bike lanes are a lot more crowded, and we're working with the City on that.

With regards to bicycle safety and education, we hold sessions around the City, free bike-education classes for adults who want to learn to ride safely and responsibly in the City. This is a picture of one held about two or three weeks ago at Pier 1. The Port co-hosted this class. We shared one for Port staff and one class for the general public that was packed. We had to bring some extra chairs in. These classes are free. They're sponsored by the MTA and the Transportation Authority, and they're led by at the SF Bicycle Coalition.

Already we've taught more than 600 adults how to bike safely and responsibly. We've taught more than 2000 children how to bike safely. Here are some pictures of our Safe Routes to School Program in conjunction with the MTA, the Police Department, the school district and the Department of Public Health. There's a real emphasis in the City on making sure that people are learning to get out, get physically active, whether walking or biking as part of their everyday lives, and to do so safely and responsibly. This is a picture from one of our family events. This is a picture of back-to-school day and 2000 students in the City have been biking through our Safe Routes to School Program, again, with our city partners.

This is an example of some safety information from our website. We put some information that we give out free to the public. Tens of thousands of folks are receiving safety information about how to ride safely and responsibly in the City. We're also holding bike light giveaways with the darkness coming earlier in the days. Last night we gave out about 400-500 bike lights for free at the corner of Market and Octavia. We'll hold six more sessions in the next two weeks. We will be giving out free front and back lights for people who are riding without lights,



which is unsafe and illegal. We want to make sure people are well lit or visible and are riding safely.

One of the most important things that we're working on with the city is how to build the city out in a safer way. Our vision is 100 miles of cross-town bikeways that really are safe, comfortable and inviting for the growing number of people riding. It helps the city meet its goal. The Mayor and the Board of Supervisors have set a goal of 20 percent of bicycle trips by the year 2020. At last count two years ago, we were at seven percent of trips by bike, which pretty good for a large American city. We're proud of that but again, the city set an ambitious goal of 20 percent of trips by bike, so we need to prepare and we need to make sure our roads are ready.

A few images that are most relevant as part of our vision is connecting the city, and that means literally connecting neighborhoods, regional transit, business corridors and our thriving waterfront with safe, comfortable, inviting bikeways that make sure that bikes are in their place, pedestrians have their own safe space on the sidewalk. This is our vision we've come up with for Lefty O'Doul's bridge area near the ballpark and another at the Embarcadero, sometimes known as the Embikadero. We're excited about literally opening up the space here to the increasing number of people biking, making sure that the walkway is dedicated safe and comfortable for folks walking. We see an exciting opportunity with America's Cup coming up to try some of these opportunities to open up the waterfront more positively.

This is the goal we're working on along with the city to make sure that we do have a city that is healthy, sustainable and thriving economically. We are making sure that San Franciscans of today and tomorrow have great, healthy transportation options.

Commissioner Ho commented that we, as motorists as well as pedestrians and bikers, could probably use more PSAs. She often has seen bikers break traffic rules and that's the biggest safety issue for everybody. Obviously motorists have to also respect that, but we could use more radio, TV and PSAs to get the message out.

Leah Shahum indicated that the SF Bicycle Coalition is good at reaching bicyclists, so are the folks on the street who are handing out the flyers or Bike-to-Work-Day sponsors who are giving out the material to bicyclists. We're giving out the free bike rides. We're holding the bike education classes. It would be great if we have bigger media that we can reach the larger population, so things like PSAs are hugely appropriate and popular. We'd love to work with the city in ways to reach both the bicycling, walking and driving public more fully. We have real commitment from city agencies, from political leaders, the Port and SF Bicycle Coalition as advocates to promote safe, respectful behavior on the street no matter how you get around. I sometimes walk, sometimes take transit, sometimes drive and a lot of times ride the bike. No matter what mode I choose, I need to do it responsibly and safely. I would love to get creative and pull resources together

on how to reach the most people effectively with that message. We are working and will continue to work with the SF Police Department as they are good enforcers of that.

Commissioner Katz indicated that having worked with Leah years ago on the original 14 point bicycle plan, she's excited to see her here and see how far we've come along. She would love her thoughts, and it's been included in the people's plan in terms of transit, about how she envisions working with the people coming to San Francisco and encouraging them to ride their bikes to venues for the America's Cup and what steps to take. She noticed she pointed out Lefty O'Doul Bridge. Is that some sort of greening she would envision in front of the Ferry Building and all the way along and any other thoughts she might have. To her point about PSAs, taking advantage of the various modes of transit that will be employed during the America's Cup to educate both cyclists and motorists and others about safely sharing our systems.

Leah Shahum thanked Commissioner Katz for her early leadership at the Board of Supervisors. We wouldn't be here today without her championing this issue early on. We're very excited about the America's Cup. She acknowledged Peter Albert in the audience because he's been a godsend working on these issues. We know we can't move tens of thousands of extra people around the city by car. We can't do it just with the transit we have. We're going to grow the transit as much as we can, but we're going to need to count on bikes as an option.

She commended the Mayor's office, the Port, the MTA for thinking way ahead on this. They're thinking about things like Bike-Sharing Program. They're thinking about secure bike parking valet. When all of us ride our bikes to the waterfront, how do we make sure that they're parked safely, out of the way of pedestrians and not getting in the way of viewing or commerce, but in a place that's appropriate? Where's the appropriate place for bike parking? How do we sign for people to get there? These aren't hard things, but we're going to have to think about them. There's going to be a lot of folks who aren't used to riding. It's not somebody like me who bikes on Market Street every day. Maybe it's somebody coming in taking BART from the East Bay and then jumping on a bike share. We want to make sure that they're safe, that they're confident and knowledgeable and respectful of others. We haven't pitched this idea yet with the MTA but we have an idea of creating a Bike Ambassador Program. We might have folks out there who are trained volunteers in bright shirts that say, "Ask me, I'm a bike ambassador" along the bikeways or along the busy ways to direct people, to give good guidance, to make sure people are behaving appropriately. There's a lot we can do with on-the-ground education, with good infrastructure and making sure that we're forward thinking and prepared for this.

Peter Albert from MTA indicated that Leah did a great job summarizing the plan, especially the safety priority. In the people plan which was accepted by the America's Cup Event Authority on September 30, 2011, we have clear visions for how we can approach this in this extraordinary time of managing upwards of around 350,000 people. Some of the provisions in the people plan that call



attention to some review would be separating pedestrians and bicycles on the Embarcadero sidewalks in front of the Ferry Building. Some of the strategies we're looking at for the peak weekend race days include a temporary provision for more space for bicyclists separate from the pedestrians along the Embarcadero. There's a lot of concern about the full closure of the Embarcadero. The people plan looks at ways to avoid a full closure by looking at carving out space for bicycles in a right lane configuration. The sidewalks would then become the realm of the pedestrians. If we can work very closely with PCOs as we are doing right now, we believe we can manage that whole mix and still keep parts of the Embarcadero open for traffic.

Bill Butler, independent consultant with clients in the maritime industry, speaking as a member of the Port's Maritime Commerce Advisory Committee (MCAC), indicated that the MCAC acts as an advisory group for the Port of San Francisco supporting, advising and acting as advocates for the Port and their maritime industries. Members include representatives from organized labor, marine terminal operators, cargo shipping users and other maritime industrial users. He thanked the San Francisco Bicycle Coalition for their thoughtful presentation and for their efforts to promote bicycle use and safety in the city. As part of their build-out plan for bikeways, he commented particularly on a proposal to install bike access facilities along Cesar Chavez in the southern waterfront. The industry is very supportive of promoting safe and accessible bicycle facilities in San Francisco, particularly those that create safe and efficient, enhanced bike access which improves traffic safety and conditions for all kinds of traffic. However, this promotion should not come at the cost of safe and efficient goods movement to and from the Port. They should work together. Cesar Chavez is a very important goods movement corridor for some of the Port's most critical industries including Pier 70 and Pier 80, the ready-mix concrete producers of Pier 92, the aggregate distributors of Pier 92 and Pier 94 and the city's waste management and recycle facilities of Pier 96. The vehicles servicing these facilities obviously tend to be large trucks, which do not tend to mix very safely with smaller, slower vehicles that are difficult to see. He encouraged the Port and the Bicycle Coalition to continue to work closely with the industrial tenants and stakeholders as these bikeway build-outs continue to seek solutions that provide safe bicycle access while limiting the impacts to existing industrial uses and traffic that exists in the city.

Karen Pierce, Chair of the Southern Waterfront Advisory Committee, echoed her colleague's support for the Bicycle Coalition's extraordinary efforts to make bicycling not only more viable, but also safer within the city. However, speaking on the same issue related to the plan for Cesar Chavez, she wanted to make sure that the Port Commissioners are aware that if the plan as it is presently proposed goes through, it will have grave impacts on the Port's ability to move goods from the Port to their final destinations. An analysis of the existing proposals includes the fact that if lanes are taken out of Cesar Chavez east of Highway 101, it will cause a backup of approximately 1200 feet of trucks trying to get onto the freeways. Not only will this cause a problem for the trucks, but more importantly, it will have a severe impact on air quality in the area. She chairs the



Southern Waterfront Advisory Committee, which was established as a result of the concerns of community residents and public health about the impacts on health and air quality in the southeastern part of the city as a result of Port activity. Over the last 10 years, we have worked very closely together. We have built a great partnership. Most of us in the neighborhoods feel that the Port is a good neighbor, and we work very hard to continue that relationship. If we have trucks backing up, we're going to have trucks driving through our neighborhood again. The Port has gone to the extreme measure of building an additional bridge across Islais Creek to make sure that trucks have been moved out of the neighborhood and can get immediately onto the freeways. If you look at the Bay Area Air Quality Management District's mapping of problem areas related to air quality, you will see that the whole eastern side of San Francisco is what they call a community of concern and what activists call a hot spot. There are at least six in the Bay Area, and that whole corridor is one of them. Anything that is done that will affect air quality will have a detrimental effect not only on our neighbors and the air we breathe, but on whether or not the city can continue to meet the standards that are required by the Clean Air Act. She asked the Commission to take a serious look at this proposal and work with the city family including MTA and Planning to look at alternatives. We have gone and we have testified and we have been ignored. The Port Commission can have some effect on whether or not we look at alternatives.

Ernestine Weiss complimented the Bicycle Coalition on all the good work they do. However, we have a great problem about bicycles whizzing by on the sidewalks without any regard to pedestrians, and it is so dangerous. One of her dear friends was struck and injured very seriously by a biker who was disobeying the rules. She lives at the Golden Gateway, and there is a courtyard where cars come out of the garage and traverse the area, the tenants and visitors, etc. There are signs posted, "No bicycling and no skateboarding" and they just zip right through there. We don't have eyes in back of us. We can't see what's coming at us. She recommended that more be done about the bicyclists who do not obey the rules, and there are too many of them.

Commissioner Katz made one request for Port staff in light of Ms. Pierce's comments about the traffic congestion. If Port staff could take a look at that and see if there are mitigation measures that we could take for trucks leaving the Port property.

Byron Rhett replied that staff has been working and we'll continue to work on this issue and come back to the Commission with a more detailed presentation on how we're trying to address the concerns.

8. CONSENT

- A. Request approval of contract award to Thornton Tomasetti Inc. for Professional Engineering Services to establish a Building Occupancy Resumption Program (BORP) for Critical Port Facilities in an amount not to exceed \$476,890 plus a ten

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

REPORT OF THE
COMMISSIONER OF THE
BUREAU OF CHEMISTRY
AND
MINERALOGY
FOR THE YEAR 1900

BY
J. H. MANNING
CHIEF OF BUREAU

CHICAGO
PUBLISHED BY THE
UNIVERSITY OF CHICAGO PRESS
1901

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
CHICAGO, ILL.

percent contingency in the amount of \$47,689 for a total contract authorization of \$524,579. (Resolution No. 11-70)

- B. Request authorization to advertise for competitive bids for Construction Contract No. 2755, Port Security Fences Project, Phase III. (Resolution No. 11-71)
- C. Request authorization to advertise for competitive bids for the Brannan Street Wharf Project, Contract No. 2726. (Resolution No. 11-72)

ACTION: Commissioner Crowley moved approval; Commissioner Ho seconded the motion. All of the Commissioners were in favor. Resolution Nos. 11-70, 11-71 and 72 were adopted.

9. PLANNING & DEVELOPMENT

- A. Informational presentation on the SWL 351/8 Washington Street Project (at Embarcadero and Washington Street).

Phil Williamson, Project Manager, indicated that this is an informational presentation only. Staff is not seeking Port Commission approval today for any aspect of this project. The Port and San Francisco Waterfront Partners (SFWP) have been working toward the lease and development of Seawall Lot 351 on the Embarcadero at Washington Street in conjunction with the adjacent private property. The adjacent private property is home to a private athletic club. Following a request for proposal process, SFWP was awarded the development opportunity for Seawall Lot 351 in February 2009 and entered into an exclusive negotiation agreement. In September 2010, SFWP received Port Commission approval for a project term sheet. The proposed project transforms the site from a parking lot generating today approximately \$65,000 in annual rent to the Port, changing to a mixed-use project generating \$120,000 in annual rent plus 15 percent of retail sales on Port property and \$5 million in guaranteed payments to the Port.

Significantly, the project replaces the existing 90 space surface parking lot at Seawall Lot 351 with 255 public parking spaces and a below-ground, three-level garage. Up to 150 of these spaces will be reserved to support the public parking needs of the greater ferry building area. The Port, SFWP and the State Lands Commission will enter into an exchange agreement for portions of Seawall Lot 351 and the adjacent private property. This trust swap will allow the sale of portions of Seawall Lot 351 to SFWP for residential development in exchange for the development of public trust open space on portions of the adjacent private property.

As a requirement for acquiring portions of Seawall Lot 351, SFWP will include the entire project site in an infrastructure financing district expected to generate annual tax increment of \$2.5 million to the Port. Overall, the Seawall Lot 351 project guarantees the Port short-term payments in the form of base rent,



enhances long-term lease revenues and provides new mechanisms to participate in the long-term appreciation of this real estate asset.

The terms of the project transaction documents are now in the final stages of negotiation. In January, staff anticipates seeking Port Commission approval of the following three items: adoption of the findings for the project under the California Environmental Quality Act, CEQA, approval of the transaction documents and of the schematic drawings for the project, approval of the Trust Exchange Agreement with the State Lands Commission.

Prior to returning to the Port Commission in January 2012, Port staff will present the revised project design to the Northeast Waterfront Advisory Group on November 16, 2011. On November 21, 2011, Port staff will chair the Waterfront Design Advisory Committee's review of this project.

He introduced Simon Snellgrove from San Francisco Waterfront Partners. Mr. Snellgrove and members of his team have prepared a detailed project presentation highlighting recent design changes.

Simon Snellgrove – I'm accompanied by Mark Schwettmann, the project's lead architect from Skidmore Owings and Merrill. This is a diagram of the 280 Embarcadero freeway that was removed in 1990 with a lot of help from a lot of people around here with a lot of passion. We then undertook a seven-year study called the Waterfront Land Use Plan, and this project is the outcome of that plan.

This diagram shows the waterfront area, which is the sub-area of the Waterfront Land Use Plan and shows in brown the area that has been under development since 2000. Following the Waterfront Land Use Plan, the ballpark was the first major project to come out of that effort and then Pier One, then the Ferry Building in 2003 and the project that we developed at Piers 1½, 3 and 5 was finished in 2006, the Brannan Street Wharf, various other aspects like the cruise terminal that is under planning right now and the Exploratorium, which is currently under construction. Seawall Lot 351 is the smaller triangle shape area.

In looking at the Waterfront Land Use Plan which had encouraged the Port to seek ways to combine Seawall Lot 351 with the adjacent Golden Gateway land, we undertook this project and came to the Port in 2005 with this idea. At that point, this adjacent land was still under the purview of redevelopment. That period of redevelopment has now expired but the Waterfront Land Use Plan urging the exploration of how to combine these sites to introduce housing, retail, recreation and open space is what we here about today.

Today we are in front of the Port Commission because we have entered into a tentative agreement subject to the Commission's final approval of environmental impact report and State Land's final approval to exchange portions of the block. 22,000 feet of the 27,000 feet of Seawall Lot 351 will be removed from the trust, paid for in large amounts of money, and then give back to the Port in the form of public open space so that, in fact, an excess of land, 1250 square feet, will be



given back to the Port. There will be a further 3500 square feet dedicated to open space on top of that so we end up with about 29,000 square feet of public open space. All in all, the area devoted to recreation and public open space will be approximately 50 percent of the land.

A competitive bid was released in 2008. The Port awarded us the exclusive negotiating agreement subject to a planning study that was requested by Supervisor Chiu for 18 months during 2009 and the first part of 2010 with under numerous scores of meetings or public outreach, a lot of discussions with the neighbors, stakeholders, club operators and the land seller. We completed the Environmental Impact Report draft in August. It is being reviewed by City Planning -- completed the draft in June. Public comment was completed in August. Planning Department is completing its response to the comments and is going to issue the final EIR. It was going to be December 1, 2011. Regrettably, the MEA planner was taken ill so it will now be in January 2012.

I wanted to update the Port Commissioners, the neighbors and people in the audience on the refinements that have been made during that environmental review period. We have widened the sidewalks to 15 feet. There's a program change which has enabled us to widen the sidewalks or increase the park. We have added additional restaurants and retail, which is 20,000 feet.

We have reprogrammed the Recreation Club. We've created and reprogrammed the recreation space, a living roof, living walls along the Embarcadero. We've added a playground in the northern-Pacific part for children, 4500 square feet and overseen by that brown piece to the north which is a Park Chalet. We've added the wheat to the brown, and that plan is a lot more retail. We have increased the public open space to 29,000 feet.

In summary, today we are still proposing 165 housing units, 20,000 feet of restaurants and café which will be consistent with the objectives of the trust, even though it won't be under the trust jurisdiction, all of it, a recreation club which now we have removed four tennis courts after speaking to a lot of the stakeholders in the neighborhood, people, the club operator and the ultimate club owner. When we develop this, we actually give the club back to the Golden Gateway Center, so they're the final owner of it and the operator. We're very pleased to say they have selected Western Athletics Club. We confirmed that Western Athletics will be the operator. Western Athletics Club feels that a large, very dynamic aquatic center is going to please the majority of residents in the neighborhood.

We have increased public open space to 29,000 feet. We have 255 public parking spaces proposed, which would serve the Ferry Building waterfront area and satisfy the Port's requirements to meet its obligation to the Ferry Building.

We're proposing 165 spaces for residential parking, and we'll have car share parking and 81 bicycle spaces. We are talking about a three-city block long project along the Embarcadero. I was trying to think when the last time three city blocks was done in this area, and I think it was when I did Embarcadero Center



back in the 1960's so it's a significant part of the waterfront. We have eliminated all curb cuts along the Embarcadero, and we've got it down to one on Washington Street so here's to bicycling.

In summary, the changes to the club – we've increased the internal part of the club from 7000 to 16,000 feet. We've increased the outdoor pools by 50 percent. We have a lot of people who wanted to do aerobics. We had a lot of people who wanted to do laps. We wanted recreation. The club operator has proposed at this point to build those lanes to 50 yards, double the length of the existing 25 yards. That's double the number so that pool can be turned into eight lanes of 50 yards or it can be separated into recreation, aerobics and laps.

Over the time, the club operator will be working with all of their members to perfect this, but this is for today. We're very excited about the green roof. The green roof will be a very significant environmental impact. It will be paired with the green roofs on the upper floors of the residential building. It will be owned and maintained by the overall condominium associations so that we're assured of its quality. To the north you see the playground and the park and the widened Drumm Street sidewalk.

There's been a lot of misinformation by people who say that this project is going to take away the club. It will not. We commit that we will ensure that all of the rights of the existing members are preserved. There will be no preferential treatment given to any 8 Washington purchaser. I'm quite happy to sit down with anybody and explain this further.

We will expedite the construction to the greatest extent possible. We will finish the club well ahead of the residential building. The operators pledge to provide in-room facilities. They will operate the Bay Club and the San Francisco Tennis Club and be able to shuttle tennis players to the San Francisco Tennis Club and be able to offer interim facilities during construction, so there I pledge.

In summary, we are very, very proud of this project. We've worked on this project for six and a half years. We understand that there are an enormous number of stakeholders along the waterfront. We have tried to please everybody. You can never please everybody. We've worked out something with the majority of people who will benefit enormously. The Port will benefit. Mark will run through the design of the project and then I will summarize at the end.

Mark Schwettmann - As Simon mentioned, it's a project that we are incredibly excited about. Part of the extraordinary opportunity that it represents relates to the importance of the Embarcadero as a civic boulevard and the somewhat unfortunate condition of the seawall lot and the adjacent fences surrounding the tennis courts.

As you can see in this photograph, there's a two-block-long stretch of the Embarcadero which is essentially devoid of life at the street level, and that is something that we are very excited to be a part of changing.



What is proposed, as Simon has described, is a series of uses stretching from the residential project at the south to open space at the center and then, of course, the club surrounded by a whole series of public open spaces.

We're starting at the south end, at the corner of the Embarcadero and Washington. There's a very significant restaurant at the southeast corner of the project. It has indoor/outdoor dining. It has sheltered outdoor dining. We think that will animate the corner tremendously.

The overall massing of the project has been broken down in the southern part into a series of residential, scaled, vertical limestone blocks. They are separated by balconies and articulated at the skyline by a series of stepping roof terraces.

Moving along the Embarcadero to the north, this is the central portion of the four, five and six-story residential building along the Embarcadero. Almost the entire frontage of the ground floor is given to retail spaces, some of which will be restaurants and other food and beverage uses.

Stepping further to the north, the space between the residential project and the south and the recreation club is the Jackson Commons, which is a new connection through the site, a connection which is currently lost to the fences of the tennis courts. That connection is animated by the retail to the south and also by a club café at the corner of the club, which is a very open, glassy, indoor/outdoor space. It would not be only for club members. It would be for the public to use to bring as much life to the street as possible and, to some extent, add porosity to the use of the health club, which is in some ways a private club.

Simon alluded to the living roof on top of the club. This is something that we are very excited about. The club is basically a one-story building which is set within public open space on all sides. The concept is that the roof of the club is almost a piece of the ground or piece of the public open space lifted up one story with porosity and lively uses beneath it. That roof is folding up, creating a kind of natural topography. Because it is sloped, it means that people will be able to see the green roof from a distance. It won't be only visible from the air.

Beneath that roof are a series of very pedestrian scaled, very human-scaled volumes inserted into the building. The one on the left is a living wall. The one on the right is a living wall. Then at the center, the opaque wall is actually adjacent to a very glassy area of the club which is directly aligned with the mid-block pedestrian crossing. There is a stair behind that wall so that even into the private portions of the club there's a sense of animation.

The roof is gently undulating from a low point of about 16 feet up towards the north and then back down where it shelters the park chalet that Simon alluded to, which is the restaurant use at the very northern end of the project. It has its primary entrance on the Embarcadero, at the bottom left side of the drawing. Then it opens up to a slightly elevated dining terrace within the Pacific Park,



which would allow people to sit and observe, keep an eye on the activities happening in the park, the playground a few steps away. We'll talk in a lot more detail about the series of open spaces that Pete Walker and Partners, the project landscape architects, have designed. Continuing to the north, we're now looking at the Pacific Park, which occupies the northern third of the project.

This is a view from the southeast which is north of the Ferry Building. You can see the tables and chairs out there on the Embarcadero. The massing of the project rises from four stories. The residential project on the north, it steps up to five and then six along the Embarcadero. On the Drumm Street side it steps up from 8 to 11 and then finally to 12. We feel the massing of the project is an appropriate response to the general condition of the city skyline, which steps down from the financial district to the residential neighborhood that this project is a part of and then further down to Telegraph Hill to the north.

One of the things that we're very interested in is finding ways that the residential use can actually enliven and enrich the cityscape around it. This is a view of the Washington Street sidewalk at the south side of the project. The sidewalk is greatly widened through a reconfiguration of the median and the traffic lanes. There is a zone on the left for landscape with a continuous soil trench beneath the trees and then the pedestrian zone on the right.

The bronze and glass canopy is the entrance to the residential project. There is a continuous edge to the street which steps in a height from 6 to 1 to 12 stories. Set within that edge on the right side of the drawing is the entrance to the public parking and glimpses into what we think will be a very beautiful residential garden, which is private but not completely screened from the public. There are opportunities to be enriched by that, to see into it. We're looking in places to display art that can face both in and out for the residents and for the city at large.

An overall view from the east, again, showing the massing of the building as it steps up towards the south and up towards the west and towards the towers of the financial district beyond.

In this view from the north, in the air you can get a sense of the way the green roof, the living roof of the club and the club's pools really articulate this idea that the club is set as a pavilion within a single open space rather than dividing open spaces to the north and the south. This is the view from the Embarcadero, looking back at the green roof sloping back down towards us in the front with living walls below it.

As Simon mentioned, the public open spaces are an enormous gift to the city, a huge increase in the amount of public open space. There are three primary spaces which the refinements over the past months have actually allowed us to link much more strongly than they were before. In the middle of that drawing on the right is the Jackson Common, to the left is the Drumm Street Garden Walk, and to the north is the Pacific Park. Those spaces constitute a linked network of



spaces reaching all the way back to Sydney Walton Park and then further into the city to Jackson Square and to the Barbary Coast.

The Jackson Commons is perhaps the most urban of these. It is a pedestrian way through the project from the west to the east and from the east to the west. It carries the fluid language of the landscaping, which Pete Walker's firm established at Sydney Walton, and we're drawing into this project, and allows pedestrian passage and views through where there currently are none. It is animated by retail in three places, the café or retail space at the northwest corner of the residential project. That's at the left side of the screen, a larger one to the right and then of course the club café to the north, there are opportunities for indoor/outdoor seating and retail uses.

The club to the north, the Aquatic Center which Simon described, is screened from the public, but in a way that will allow glimpses in and at least a sense of openness while preserving privacy.

Here is the existing condition looking towards the Embarcadero on Jackson Street, a very unfortunate terminus for one of the city's interesting, historical streets.

Here is an idea of what the Jackson Commons might look like. You can see the four-story portion of the residential project to the right. There's a residential garden beyond that low screen wall with the flowering tree behind it. The recreational club is to the left with its café and indoor/outdoor seating.

The second of the spaces is the Drumm Street Garden Walk. This is a space which exists currently linking north to south, but is dark and narrow, and we're looking to significantly lighten it up. We're looking at integrating it into the landscaping of the overall project. You can see by shaping the outdoor space of the club at the bottom of that plan, we greatly widened the place in which it can connect to the Jackson Commons. Right now, that connection could only be the width of the sidewalk. It's greatly widened with landscaping creating a more fluid path throughout.

Here's an existing view. The proposed condition you can see the greatly enlarged public space there, a green wall set on a stone plinth dividing the club's pool from Jackson Commons and connections into the neighborhood both to the north and the south.

Finally Pacific Park is the largest of the public open spaces in the project. It takes the northern third of the site. It is directly connected through the walk to the west of the bottom of that drawing towards Sydney Walton. It's defined by a language of undulating mounds which are gently sloped to allow people to sit on the grass. It's a strategy that allows more grass to be visible as it slopes up towards you.

It is then zoned into a series of active play areas for children of different sizes. There are three circles shown there, as Simon mentioned, about 4500 square



feet in total for the smallest kids at the north to the median kids in the middle to the bigger kids at the bottom all being looked down on from just a few feet away by perhaps their parents sitting in the café. There would be a very low, open, wrought-iron fence on the side of the Embarcadero. It isn't visually transparent, but to prevent kids from running out into the roadway or vice-versa.

Here are some cross sections and elevations through the park showing the openness of the park, the scale of the trees and the buildings of the Golden Gateway Commons beyond.

The existing condition of this portion of the site -- those are the fences around the tennis court. There are some utilities in this area. It's generally very dark, and the landscaping is fairly dense. A proposed view out -- you can see out to the bay where you currently can't. There are plenty of opportunities to occupy the park in addition to the playground. On the right is the park café with its outdoor seating looking down.

Finally a view from the north looking back towards the project is the financial district beyond the Embarcadero Center in the distance. The lighted area is the park café opening out, spilling towards the northern part of the park.

Simon Snellgrove - To summarize, we've had a long partnership relationship with the Port. We value our relationship, and we've worked with terrific members from your staff. We have had long negotiations with Kathleen Diohep, Jonathan Stern and others. There are so many people we're working with. They have extracted a high price for this. This is the highest and best use for Seawall Lot 351. Combining it with the land does meet the final objective of the 1997 Waterfront Land Use Plan. We will produce 165 housing units in a city which desperately needs housing. We will fund 33 affordable housing units for the city. We will give above-market land payments to the Port. The land was originally valued at about \$6 million. The RFP set up a minimum of nine. We will have net present value payments of about \$15 million, but more importantly, we have broken the mold, set up a half-percent transfer fee which over the length of a normal port, the 66-year lease will generate another \$25 million. All in all, looking at net-present values and long-term benefits to the Port, there's an annuity that's worth about \$60 million.

In addition, we will have tax increment financing through the establishment of an IFD district for the Port, which will generate \$40 million in additional funds for Port projects. I want to emphasize contrary to some of the claims, not one penny of that is going to us; it is all going to the Port, the City to do with what they choose.

The Port will have ongoing participation in the sales through those transfer fees that I mentioned. If you run that up for 99 years, you're talking about \$100 million. It's real money for the Port and probably a precedent that could be used for future Port projects which will help dig the waterfront out of its financial mess.



Public space -- we will rent that back from the Port for \$120,000 a year. Currently you're getting \$60,000 a year. We, the homeowners association, will rent that back. The Homeowner's Association will maintain it. The Port will be a member of the Homeowner's Association so they will get to control their part. The Port will get participation from the café in the Pacific Park which goes back to state lands if Ms. Kato thinks that's a value.

Twenty-nine thousand feet of public open space versus a 27,000 foot parking lot, a new community of recreation, an aquatic club which will cost us \$12 million in addition to the land, 25,000 feet of retail and restaurants along the whole guidelines of BCDC and State Lands further animating and securing the neighborhood, replacement of the surface parking lot with 255 underground public parking spaces which will enable the Port to free up over-water parking as well as the existing 90 cars that are there, and an improved environment through the elimination of the curb cuts and fences and the widening of the sidewalks and connecting the neighborhoods to the waterfront. This will be where redevelopment meets the water. This is the final step in reconnecting the city to the waterfront in the residential zone of this area.

We have a proven track record. We strive for excellence. We have a passion for this waterfront. We've been working on this waterfront on or around it for 42 years. We say what we're going to do, and we do what we said we'd do. We pledge to make this a fabulous project for the neighborhood.

Dave Stockdale, Executive Director of CUESA and the operators at the Ferry Plaza Farmer's Market and representing 115 small businesses who work out of this location - We appreciate the partnerships that have been evolving in this project, the redesign, the green nature of the whole project. We really like the evolution of what we've been seeing, and we continue to support this concept and what it will mean for us as small businesses in this area. There will be some short-term inconveniences during construction and issues that we have to contend with but offset in the long term by the benefits of nearby parking which we need, new residents, i.e., potential shoppers which we always enjoy as small businesses and a much more open and connected part of the waterfront that makes that connection from the waterfront through the business residential community to the rest of the neighborhood. We think it's a really strong plan and offer our support for it.

Victor Woo, Senior Vice President of Operations for Western Athletic Clubs - We currently own and operate a various number of luxury clubs in the Bay Area and four in San Francisco. We happen to be the operator of the Golden Gateway Tennis and Swim Club. We were asked to participate in the design of the club and the outdoors as well as the indoor area. When looking at the design and the space that's available, we feel that it's the best design for our membership as the majority of our memberships are in the aquatics and fitness base. We look forward to operating the club, and we look forward to doing a great job in operating the club.



Jennifer Warburg, Assistant to the Executive Director at SPUR, the San Francisco Planning and Urban Research Association - SPUR supports the 8 Washington Seawall Lot 351 project. We believe that the proposed development is a significant improvement for a key parcel on the city's northern waterfront. Eight Washington presents a unique opportunity to replace the surface parking lot and private club with housing, pedestrian-friendly, publicly accessible open space, a renovated, space-efficient club, ground-floor retail and underground parking. We are pleased with the latest proposal for the project which includes an aquatic center, the addition of green roofs and a 4500 square feet playground within the public park along the Embarcadero. SPUR supports the proposed project heights which are appropriate for the area and fit the scale of the surrounding neighborhoods. The project sponsor has made adjustments to the design and scale of the buildings to reflect the scale of the surrounding buildings and allow for suitable density. Given the proximity of this project to much taller buildings including the Golden Gateway, the scale of this project is modest and appropriate. This project is located adjacent to many major transportation lines including BART, MUNI and ferry lines. Eight Washington's proximity to transit services and the region's densest employment center, the San Francisco downtown, will encourage residents and visitors to bicycle, walk and ride transit instead of making new car trips. We are impressed with the public access components of the project, the public park and landscaped commons, and appreciate the efforts to reconnect the city streets to the waterfront with view corridors and pedestrian access. SPUR strongly believes that the project will radically improve the pedestrian experience on the western side of the Embarcadero. Currently pedestrians are met with a high green fence used to protect the tennis courts. The current use does nothing to activate this important street frontage and detracts significantly from the pedestrian experience. I am a member of the Golden Gateway Tennis and Swim Club. I'm headed there to swim after I present today. I am looking forward to the improvements this project will make to the neighborhood streetscape. SPUR and I urge you to support this important project.

Corinne Woods - This is a very good project. It's good for the Port; it's good for the city. The publicly accessible open space is marvelous. The opening up of both Pacific and Jackson Streets to views and pedestrians is a tremendous benefit for this neighborhood and for the City. I urge you to support it.

John Stewart - In my business life I'm in the real estate world but I'm here speaking as a resident of Telegraph Hill. I'm very much in support of the developer's proposal here in almost every respect. In my business life I go to a lot of planning conferences, and there's a uniform decrying of the absence of projects, a lot of handwringing over the fact that we're not getting the kind of quality that we want. Many people say, "How come we don't have a project that has a nexus of transit, where we have people living and working in the same area?" Here we have just that. We have water ferries, water taxis, we have fixed rail, we have bikes, we have bus. I look at this project not only as the for-sale condominiums which offers inner-city living, which is a highly-desirable objective, but I look at this as a TOD, Transit-Oriented Development, as well as many other



things. We going to have people living in town, using cars to some extent, but the impact on the grid, because of the location of this project, will be less than the standard stuff that you see in this country. I like the design elements that Simon has introduced, which have been spoken to by many of the speakers, but in particular, if the past is prologue, I really like the quality of the work that he did at Pier 1½, 3 and 5, and the project speaks for itself.

Michael Theriault, San Francisco Building and Construction Trades Council - What are we at, about round 40 in this discussion now with more to come? I have spared you the little crowd that I normally drag with me to these things and I'm just speaking myself this time. I'm sure I'll have occasion in the future to bring that crowd back. I want to reiterate our continuing support for this project. I think over time it has continued to improve. I'm especially excited by the replacement of parking and a green screen along the Embarcadero with faces, with the clinking of glasses with conviviality on one stretch and with the sight of children playing on another. I think that's all to the good. The project with a green roof now will actually decrease the impact on the city's sewer system that it might once have had. It continues to get better and better, so we look forward to this being built eventually.

Bill Hannan - I have lived at the Golden Gateway Center for 22 years. I am currently president of the Golden Gateway Tenants Association. On many occasions we have outlined our many reasons for opposing this project. We continue that opposition. The new thing I've heard today is there's an adjustment to the plan to decrease the number of tennis courts by four. I don't know how many tennis courts that leaves in the plan. I'm not clear on that, but I'd like to add that to the number of reasons for our opposition.

Lee Radner - I can't wait to hear what 500 tennis players will have to say tomorrow when they hear about this plan, but let's move on from there. I'm somewhat limited tonight because I thought we had an overhead projector, and I had some transparencies. I'd like to circulate some hand visions of what we see. For those of you in the audience who cannot see this, it will be on the FOGG website. By the way, I chair the Friends of Golden Gateway. What our concern is from the new Sue Bierman Park, which is a beautiful addition to the city, the difference in openness and bulk and height that we will now begin to lose, Washington Street will be a wall of glass and brick or concrete or whatever you have it. And the other view that you see on that second page is what happens to the view of Telegraph Hill. It was a really excellent presentation. Mr. Snellgrove and his people always do a fine job with that. If the club is going to change a profile as was suggested today, we're really putting I can say a dagger into hundreds and hundreds of middle-class families' youth and seniors who now enjoy the facility as we have it now. Yes, there can be improvements but to take away nine tennis courts, not four, there are nine there now -- I hope that answers Mr. Hannan's question -- and to build the highest-priced condominiums in the city, all I want to know is when do we put up a sign that just says, "This property is only for the very rich?" It's an insult to the integrity of all the work that the neighborhood groups have done with the AMD study. We will continue our battle.



We feel this was promised to the community as it was over 40 years ago, and we wish to maintain it.

Maureen Erwin – I am here to read a letter submitted by Rick Laubscher in support of the project. "Honorable Members of the San Francisco Port Commission, I am writing to express my personal support for the 8 Washington project. As a fourth-generation San Franciscan, I've been here long enough to have lived through the more than 30 years when the Embarcadero freeway blighted block after block of our northeastern waterfront. During that period, planning and building decisions were made that turned the city's back on that monstrosity. These may have been the highest and best use of the land at that time, but times have changed. Since the freeway's removal, we have seen the historic buildings on old E Street Row, Embarcadero between Mission and Howard, come alive again. We have seen the vibrant addition of Hotel Vitale with its lively indoor and outdoor Café Americano. We have seen the vitality brought to the area by the F-line streetcars and the bicyclists and pedestrian traffic on Herb Caen Promenade. But a shadow of the freeway remains in the eyesore parking lot at Washington and the Embarcadero. As I understand it, the proposed 8 Washington project preserves the recreational features of the project site, and importantly, it brings a handsome new face to that critical corner of the greater ferry plaza area with residential units that will provide much needed property tax, revenues to the city while removing the blight of surface parking from that highly visible location. As evidenced by the Piers Project, Piers 1½ to 3 to 5, across the Embarcadero from the project site, this developer has demonstrated sensitivity to urban context and the ability to create engaging and vibrant spaces for people. Joining with many others, I encourage your Commission to approve this project and further enhance our northeastern waterfront. Sincerely, Rick Laubscher."

Alan Mark - I'm a neighbor. I've lived on Telegraph Hill and then Russian Hill for 22 years, was a member of the Telegraph Hill Club and the Bay Club for 20 years also. I'm also president and founder of the Mark Company. We do research, design development and marketing for condominium developments. Over the last two decades we've really worked on the watermark on Embarcadero, 1 Embarcadero South, Artera, 600 units in Infinity, 733 Front, right now 1 Hawthorne, Joanne and Mission Bay, so we are familiar with the area. Just to report the kind of lack of new product coming on the market, several years ago there were several thousand units for sale where there's immediate occupancy. Today there are 575. I think if we were meeting a year from today, we're down just a couple of hundred units. In 2006 and 2007, approximately 500 units were permitted for construction each quarter for sale, 500 units per quarter. If we look at 2008, 2009 and 2010, it dropped down to 150 units per quarter. The third quarter this year we're down to 70 units for sale that were permitted for construction. So we're down to 14 percent of the number of units that were permitted just four or five years ago. I think as we all understand, it takes approximately two years to build any project of size. So even if a shovel got in the ground next year, we won't see new product until 2014 typically. So I think the situation will be exacerbated late next year into 2013 and 2014. There were 24 projects for sale with units a year ago. We're down to 11. Out of those 11, most

have single-digit units left if not under 20. So I'm an advocate of this project. I think it's really well done. I'm also a major walker in this town. I live on Russian Hill and I walk to work south of Market. I walk to the Mission, to the Young Museum, to the Cliff House. But I know one thing I don't do is walk on this side of the Embarcadero at night because I do feel it's not that safe. So I think it's a real plus to the city and closing the missing link with the Embarcadero.

Tim Cohen - I run the San Francisco Housing Action Coalition. We've supported this project for years. We believe it will bring enormous benefits to the city. In spite of all the heated rhetoric and controversy, what's being discussed today is really a very simple land-use question -- should Seawall Lot 351 remain a surface parking lot or not? If not a parking lot, what should it become? Now the opposition to converting a parking lot comes from our friends at FOGG, good folks, but a relatively small group that even they might concede are overwhelmingly white, older and upper middle class and that live in one of the most pleasant neighborhoods in the city. These folks are aggrieved and oppressed because new housing has been proposed for their neighborhood. It should be noted that the housing they live in displaced an earlier generation of businesses and residents. It was not sand dunes down here when the Golden Gateway was redeveloped. We must also notice that many of the folks opposing this project have lived for years, decades even, in rent-controlled housing. We would observe that this is a curious platform from which to oppose new housing. By contrast, the 8 Washington project displaces no one unless you count private tennis courts at a luxury club. The accusation against this project is that it will become luxury housing, something we'd freely concede. After all, this is some of the most valuable land in northern California. On the other hand, for decades through our citywide planning and land use decisions and policies, the city has said that if land is developed for private housing, it must pay for a large basket of civic goodies. Among many other things, this would include rent to the city, enormous fees to support subsidized housing, a new, privately maintained park, a new recreational facility, a new walkway to access the waterfront and an enlivened streetscape on the side of the Embarcadero that needs it most. These are not small benefits or cheap ones. On the eternal vexing question of heights, we would note that the proposed project is one quarter the height of the closest commercial building and one half the height of the adjacent residential building, the Golden Gateway Center. This project is nestled among the tallest buildings on our skyline. Is this not a good location for it? We would ask that the city choose a land-use alternative that benefits that largest number of San Franciscans and not just those of a single neighborhood. We've never heard an argument how the city itself would benefit from turning this project down.

Ernestine Weiss - Now that everybody has said their peace, I will be happy to tell the truth about this project. It is a deeply flawed development proposal, the worst of which I have witnessed in 25 years of living here. Many community meetings were held. Ninety-nine percent of the people are against it for good reason. They complain about a 12-foot fence. Well what's that according to a 13-story building as a fence? It violates the Waterfront Land Use Plan which recommends connecting the land to the bay. This is not connecting the land; it's blocking the

land and the bay. The view of historic buildings, the Ferry Building will be blocked, and that's against the rules. Nobody talks about these things. How about the traffic gridlock from a garage that will enter and exit on Washington Street, a very narrow street heavily trafficked from all directions on the Embarcadero that you can hardly cross safely even with the timing lights that I had installed? The water in the garage must be pumped. I defeated a garage on Block 203 on Ferry Park, which I created for all the good reasons that it is negative. There is nothing that permits that to go on here. And they also wanted to put entrance and exits on Drum Street -- ridiculous. That's why it went down. So the fact that it's going to destroy the club is very true. I wish you people would walk over to the club and see the most beautiful lounge area and swim pools that were constructed. They will slice all that away and put it on top of a roof which is not beautiful. So they're destroying all the aesthetic feelings of it. Nobody is buying condos. The need is not for condos; it's for affordable housing. Hello? That's why all the families are moving out of San Francisco. So let's put up things that are sensible. The reason people don't want to walk on the west side of the sidewalk of the Embarcadero is because when we created the Embarcadero and the park, I begged them, put sodium lights on the Embarcadero. Light it up so it will be bright and inviting. They didn't do it. That's the reason people don't want to walk, not because there aren't restaurants or retail there. You don't need it. The boxy character of the buildings, sorry Skidmore & Owings, with all due respect, it looks like Mission Bay, which is a disaster. We don't need this on that corner. So with all these things, where is the traffic study? You have gridlock now. You have Exploratorium coming down the pike. You have Pier 27 and 29, which is going to bring more traffic. Where are they going to go? We can't develop every inch of land in this city. It is just not sustainable.

Paul Renne - It pains me as a long-time resident, I've been here since 1964, but it pains me to see the Commission being asked to approve a project which is the first step in building the northeast waterfront like it is south of Market. I agree with many of the things they're saying about what they could do to make that portion of the Embarcadero more friendly but to add a building which violates everything that was in the Northeast Waterfront Plan, to add a building and say, "Well, we're just adding this one building," but this is the first step. If you approve this, what is the reason why you can't build another building like this on the corner of Broadway and a next one on the corner of Vallejo, and the next one on the corner of Green Street? Suddenly we're going to have San Francisco's waterfront being nothing but high-rise buildings. Now I think many of us would have opposed the Golden Gateway construction, but at least it was a few blocks away. This is right on the Embarcadero. You can talk all about how nice it's going to be a little bit north of it, but what's going to happen if this project is approved? I'm speaking only for myself and not speaking for FOGG. I understand the arguments as to why the tennis club feels that that somehow or another detracts. But clearly that tennis club could be there, could deal with the problems they say is on the Embarcadero without granting -- only for economic reasons. There is absolutely no other reason for allowing a building to be built that close on the Embarcadero. I would respectfully request that you disapprove it.



Veronica Sanchez - speaking for two maritime unions, the Master Mates and Pilots who are the captains on the ferry boats in San Francisco Bay and also the deckhands, the Inland Boatman's Union of the Pacific, the Marine Division of the ILWU. Both of our unions have been very supportive of this project from the very beginning because it is the lynchpin for another big chunk of money to this Port and to the region. Since the late 1990's when I actually worked at the Port, we were trying to get money for Phase 2 of ferry terminal development for the addition of new ferry terminal south of the Ferry Building. The money dried up but for seven years there has been a chunk of \$20 million available for bridge toll money to fund the next phase of that development. How is that related to this project, and why is 8 Washington Street a lynchpin to open the door for that funding that is now designated to the Water Emergency Transportation Authority? It is because that project will replace the over-the-water parking that must be removed to get the ferry terminal expansion permanent. We have been participating in this process from the very beginning attending many community meetings. We are very pleased by the improvements that the 8 Washington team has made to this project. There are significant improvements. Just a bit of a digression, I am a citizen, a resident of San Francisco. I live in the outer Mission where we barely have any open space at all. What I've seen on the screen today is unbelievable. Mr. Snellgrove, you're welcome into my neighborhood anytime to do a project of this caliber. We would make you the Grand Marshal of our Fourth of July Parade in my neighborhood. We look forward to continuing to see this project through the approval process.

Jane Connors, Senior Property Manager of the Ferry Building - I've been operating or have had the honor of managing the Ferry Building for the last nine years. The one thing we know is that proximity of parking and management of parking is key for our retail businesses downstairs, and that includes the Farmer's Market. I have a question both to the Port and to the developer - one of our concerns is the length of the construction process for this project. It's estimated anywhere between three to five years. We would like to know where the substitute parking for the Ferry Building would be if this project went forward.

Frederick Allardyce, on behalf of the Recreation Open Space Group for the Waterfront, which I've been the chair of for 12 years - I want to thank Mr. Snellgrove for his extensive efforts to bring to light the proposed project and now in his fourth change under his stewardship to replace all the tennis courts with swimming activities and also bring to your attention as to the length of the history of this project in which there have been now four attempts to change it from its existing recreation space, which is what the redevelopment you see approved and granting Perrini the right to build this entire neighborhood back in the 1960's and 1970's. This recreational club was deemed a significant aspect of the approval by the Redevelopment Agency to allow the Golden Gateway Center, Golden Gateway Commons, City Walton Park, etc. to beat out a number of other developers that all wanted to build high-rise buildings in this neighborhood. It was supported by the Telegraph Hill Dwellers then and a vast majority of San Franciscans wanted Redevelopment Agency to approve this. This project would reduce the existing open space by 70 percent. The recreation open space there



takes up all three blocks; 100 percent is used for recreation, 100 percent, not parking lots, not whatever. They're taking the vast majority of it away to build luxury condominiums and various other support things that really do not enhance the recreational use for the existing neighbors. The 420-car garage below grade will dramatically change the traffic flow in the neighborhood. It will be coming in and out of Washington Street directing the traffic away from the Embarcadero and up and down Drum, Jackson and Davis Street and triple the amount of traffic going up and down the neighborhood at that time. It will dramatically change the neighborhood. The neighborhood is a successful neighborhood today. The San Francisco Redevelopment Agency including Dianne Feinstein, the people that supported it feel it's one of the greatest neighborhoods San Francisco's had. It's evolved dramatically with the Ferry Building and its rejuvenation and the other things that have happened to the neighborhood, and it's really just begun. Obviously the Ferry Building, the America's Cup proposal, the new Exploratorium all are highlighting the future growth of the neighborhood. I wanted to remind you also that this plan has not been adopted by the City Planning Department. The City Planning Department has not officially adopted the plan that Skidmore Owings & Merrill presented to them that calls for this plan to be done. It has accepted and reviewed the plan done by Brad Paul. An Asian neighborhood design calls for something dramatically different to this neighborhood. Also there was the CEQA lawsuit that's ongoing that claims that the Port, and the city have not acted under CEQA law, and that's in the process of being appealed. That was supported by 19 neighborhood organizations including the Sierra Club, Telegraph Hill Dwellers and San Francisco Tennis Union. This has just begun the process of allowing this project to go ahead.

Bill Sauro, President of the Barbary Coast Neighborhood Association - We believe this project is still seriously flawed. Number one, the parking situation in the garage. This project was built by some prior speakers as being called transit-friendly project. Well if it's transit friendly, why does the developer need 420 parking spaces? City policy is one car for every two condos but that can't happen here. These rich, super-rich buyers are obviously not going to settle for that, so the developer wants twice as many parking spaces for the residents than the city allows. He's going to need to get special permission for that. Next, America's Cup -- the agreement with the City says that the City and the Port will do everything they can to limit and eliminate construction during the America's Cup. I would propose that this project shouldn't even be considered until after America's Cup is completed. There are going to be something like 400 loads of debris coming out of this site onto Washington, onto the Embarcadero right in the middle of the America's Cup event if the timing of the developer as promised continues. Our association was presenting 5000 residences and businesses in the northeast waterfront ground zero for this development. We still cannot agree with it.

Jim Chappell, urban planner representing myself - I would like to say that I support the testimony of Ms. Warburg from SPUR. I have personally studied the plans of the Port and San Francisco Waterfront Partners in detail. In my professional opinion, this is an excellent plan that should be approved and implemented without further delay. The project takes where there's an



embarrassing environmental blight of parking lot and chain-link fence along the public rights of way and turns them into vibrant, open spaces, desperately needed housing and an improved recreation club. The project is a great benefit to the City, the Port and this neighborhood. The design of the buildings and open space is first rate. The track record of this developer is absolutely first rate. The financial benefits to the Port are incontrovertible. I listened to the opponents and am nonplussed. A four-story building along the Embarcadero is hardly a high-rise. The Recreation Club is not going away; it is being rebuilt. The City desperately needs housing at all price points. The plans are in full compliance with the public adopted plans for this area. I can only conclude that some people have decided that they will not like any plan. I urge the Port Commission to move this project forward at the earliest possible time.

Sue Hestor - The west side of the Embarcadero from Washington Street to I don't know where it ends is under the management of Golden Gateway and the Port; that's it. You are the people that are being trashed here because of the quality of the spaces on your parking lot sites on the west side of the Embarcadero. The other owner of this site, which has also been trashed, is Golden Gateway, which is part of this project. People that are trashing the city, mainly you and Mr. Snellgrove's other partner, are used as the rationale for developing a massive project out of scale with the rest of the city. As was said earlier today, when Golden Gateway was developed, the Perrini real estate came in dangling this big enticement in the negotiation process which used to be a lot more flexible. You could change your deal while you were going through negotiations. Well they got the site, because they promised public amenity. It's like every time the City does a new community, every one promises everything. We've had lots of promises in the past couple of years on redevelopment sites. You take it away when no one is looking a couple years later. Golden Gateway wants to make some money off a site they got for a dollar, and they got the entire site to develop because they promised a public amenity for the life of the project, and the life of the project is still going on. The public amenity was the recreation center. It was tennis courts and swimming pools. Now you are being asked -- and I understand what's going on -- you are being asked to get rid of the tennis courts so you can cut a deal with the State Lands Commission to do a land swap. That's what's going on here. I find it frustrating. The only people who have seen this plans are the people that Mr. Snellgrove got to show up on this. They say they love these new plans. There's nothing for the public. I asked staff, "Where are the plans?" I sent emails. I was told there would be some here for the public. Where are they? I would like to have a set of the plans. The plans aren't available at the Planning Department. The plans were available to the people who spoke in favor of the project. This is a project that is going to have problems, so just get in for the ride. It's going to go on for a while.

Commissioner Katz - One, there was reference to open space, and there's a little blurring of the green roof. The green roof is not considered part of the square footage of open space that's been put forward. I see Mr. Snellgrove shaking his head. I just wanted to confirm that as one of the speakers.



Phil Williamson replied affirmatively.

Commissioner Katz – A question was raised by the manager of the Ferry Building in terms of substitute parking for the Ferry Building. Have we made plans for that, and what will transpire during the construction?

Phil Williamson - We are looking at that question. Port staff has been discussing that issue with the Ferry Building management. We do not have it completely resolved yet. We are working towards a solution with them so we don't have an answer to that question today. The parking agreement between the Port and the Ferry Building management does propose an area to consider for replacement parking should a garage be contemplated at this site. We're using that as a template to guide our discussion.

Phil Williamson - I can answer the question she raised as well about the construction period. According to the environmental review documents, it's a 24 to 27-month construction window.

Commissioner Katz - There has been a lot of discussion about giving up the tennis courts. Was there no other option to maintaining any of the tennis courts?

Simon Snellgrove - I want to respond to Ms. Hestor's question. The recreation center was never given to Perrini as a public recreation center. It is a private club. It's one of the most expensive in the city, so there's some skewing of facts that go on here. The tennis courts were reviewed by the club operator. It's a commercial enterprise. It makes a lot of money. The tennis courts and the swimming facilities were reviewed by the operator, the owner. We listened during the EIR process to a lot of people, probably because it's not an elective group. It doesn't represent 10,000, 5000 people. FOGG doesn't represent 2000 people. Obviously they're a self-elected group. The majority of people in the club have expressed an interest for much better swimming facilities for old people who need the water aerobics, for young families that are moving down here and want swimming programs and a lot of summer programs. You might have heard we have been accused of ending the summer programs. Quite to the contrary, the Aquatic Center will encourage kids from all over the city to come. So the tennis courts were deemed by a lot of people as a perfectly awful use of urban land. It takes 7500 square feet for a tennis court for two to four people to play on; 7500 feet will give you a couple of children's playgrounds. So it was a decision taken by everybody. Ms. Hestor said there are no plans available. There's a variant plan that she's well aware of. It's in the EIR. Traffic has been looked at in variation in the EIR.

Commissioner Katz - As you mentioned that it's currently a private club, but had there been some access or reduced rates for local residents? I seem to recall something along those lines. Will provisions be made for some affordability for local residents to have access to the club?

Simon Snellgrove - As part of an inducement to people to rent in the Golden Gateway rental apartments, the owner of the club discounts it by some percent at



the moment. We have made very clear there's not going to be any preference given to the buyers of 8 Washington. They're going to be just like everybody else. They can go apply to the club and pay their money. We are not going to own the club. We have no right to pledge it to people. We are very interested in helping. A lot of the neighbors we have here are very supportive of this project, live in the same apartment units as the people who come to oppose it, very keen to have programs continue. Before the groups, opponents actually, sued you, the City and Mr. Allardyce's comment is incorrect. That lawsuit is over. It was found not to be valid. We had reached out to many of the members who helped design this. This has all been talked about over scores of meetings. We have a list of things that we would like to work out regarding interim use, ongoing use, programs for seniors, cross-city benefits. There's a lot of stuff going on. We're very interested. We're neighbors here. I've been here 42 years, so we're very interested in having a very happy community.

Commissioner Ho - Could you address the question that was raised in terms of what happens to the project during the America's Cup and what your plans are during that time?

Simon Snellgrove - We're very actively involved in supporting America's Cup. We're very active in trying to get it here, from the get go convincing them to come here. The numbers for construction and for mitigation managers are all in the Environmental Impact Report. Broadly speaking, there are two phases -- next fall, we're going to have the AC45 boats here. The big boats, the 72-foot boats will be here in October 2013, in July to September. Our excavation is a six-month period so the earth, if we get through all the process, and I'm sure Ms. Hestor is going to sue us as she always does, but by the time we get through all that, we're going to be in construction sometime in the summer. It's a six-month process. We'll be well out of the ground and all of that earth moving will be done long before the Cup. We have pledged not to have any construction anywhere on the site during any race days. All the site access is off Washington and Drum. There's an exit onto Embarcadero which will only be during the day. It doesn't have to be used, so there will be no impact. When City Planning's looked at this, there is the agreement with the America's Cup. We're friends of the America's Cup people, huge proponents of it, and we're not going to allow any disruption of that Cup.

Commissioner Katz - As I understand the process, the next date that the project goes before the Planning Commission for review of the EIR in the beginning of January?

Phil Williamson - Yes. What we are hearing now schedule wise is that the Planning Commission would likely hear this item for CEQA review and the associated issue with the Rec & Park Commission on the shadow impact study January 19, 2012. From there we go back to you for your approvals as mentioned in today's staff report and then would proceed to the Board of Supervisors.



B. Informational presentation and staff direction to respond to proposed legislation to amend the San Francisco Planning Code and Zoning Map sponsored by Board of Supervisors President David Chiu.

Diane Oshima, Port's Planning and Development Division, provided an overview and an informational briefing on a piece of proposed legislation that has been sponsored by Board of Supervisors President David Chiu to the city's planning code and zoning map. We have been working with the Supervisor's Office with Judson True. Tom Radulovich is the author of most of this legislation. We've been working with him and with members of the Planning Department Staff as well.

It was presented to the Planning Commission last month and October was the first public hearing for the public to start to understand what this proposal was. We've tried to jump on board. It's a broad piece of legislation. There's over 200 different amendments peppered throughout the planning code. Most of it does not deal with the waterfront areas, so she's not in a position much to speak to the full scope of it. We've tried to focus it down to those controls that we wanted to bring to the Commission's and to the waterfront stakeholders' attention about what the proposals are and some comments and some forward steps on how to address some particular issues in a proposal that we otherwise think is quite a masterful effort to try and forward in advance sustainable development in San Francisco.

We've tried to outline the issues in some detail in the staff report. What we would like to be able to do is give an overview about what the issues are about what the staff's analysis and proposed refinements that we'd like to work on with the Planning Department and with the Supervisor's Office are in advance of some further public hearings that are scheduled before the Planning Commission.

The Planning Commission looks to have another public hearing on this legislation possibly with preliminary staff recommendations on December 15, 2011 and they don't anticipate taking action on this until January 2012. Thereafter, the Planning Commission, if they take action, it is advisory to the Board of Supervisors and the sponsoring supervisor for their consideration as then this legislation then would transcend going into the Board of Supervisor's committee and board-hearing process.

There are many steps along the way, and we can give an overview of the broad issues, work with our stakeholder, hope to promote public understanding so they too can participate in this process.

As a general background, the Port has the Waterfront Land Use Plan as its master policy document for land uses along the waterfront. When that plan was being developed, the Port was working with the Planning Department at the time such that we were looking at how the development of the plan policies and the waterfront plan compared with those in the city's general plan, compared with the planning code and the zoning map at the time. By the time that we actually finished with the Waterfront Land Use Plan, the staffs were already pretty well



informed as to where there were areas in the city's general plan and planning code and zoning map that should be updated to reflect all of the work that was done in the plan.

In the planning code, in the zoning map and in the general plan, those policies and regulations align with what is promoted in the Waterfront Plan. We have not had a situation where we've got some disconnect between projects that the Port is trying to move forward on the waterfront falling out of step with what the City's goals and objectives are as well. The proposed planning code changes now where we touch upon so many different issues is not entirely clear that we can really have a handle on what the implications of some of these changes are. We are looking at what's the foundation that already exists in the zoning map and the planning code. What are the issues that rise to the surface of this legislation? Are there ways in which we can try and address them now so that we can avoid conflicts later on?

With respect to the current process, a large part of what we want to have recognized by the public is the fact that there is language right now that recognizes the Port Commission's Burton Act authority and the public trust mission that the Port must carry out. While in general the City's controls and the Waterfront Land Use controls are consistent, there may be events as anticipated in the planning code information now where the Burton Act responsibilities of the Port Commission might have to take precedence. That's recognized explicitly for Port properties between Fisherman's Wharf and China Basin.

At the time that the Waterfront Plan was approved, the northern half of the waterfront was the place where most change was expected, and so there was an effort to be explicit about that.

The piers between Fisherman's Wharf and China Basin are in one of three existing waterfront special-use districts. Waterfront Special-Use District Number One contains all of our historic piers from Fisherman's Wharf to China Basin. Waterfront Special-Use Number Three contains all of the Port's seawall lots. There are controls there that recognize those public trust responsibilities, and there is existing language in the code now that also establishes a city waterfront design review process where the Planning Department, the Mayor's Office, the Port all make appointees to this Waterfront Design Advisory Committee that has reviewed all of the Port projects to promulgate recommendations that are to balance the design objectives of the Waterfront Plan, which is consistent with the policies of the city's general plan and zoning map as well.

That's a framework that exists now. The number of issues that we've teased out is quite a few relative to number of changes proposed. They deal with four things essentially. One is for parking lots on the seawall lots between Broadway and Fisherman's Wharf. Those parking lots, some of which have come up in the comments in the previous item, are Zone C2. C2 parking lots, commercial business zoned parking lots, are proposed under this legislation as a non-permitted use. Today they are permitted use. Surface parking is a permitted use.

It's proposed to be non-permitted and for an interim five-year period. There would be an allowance for that use to continue. At the close of the five-year period that use would be terminated.

Port staff has raised to the Planning Department the concerns around that prohibition of that use which while an interim use, we're not trying to keep parking lots forever here. Until they can be developed to a higher and better use per the Waterfront Plan, they are a very important financial basis of the Port's portfolio if not a land-use purpose. There would be some people who would debate the merits of parking itself. In particular, they generate over \$4 million a year in revenue. The notion of being able to just terminate that use after five years with no clear indication of the next use and whether that could replace that financial purpose, we flag that as a problem.

For waterfront developments overall, as you would see in the Exploratorium project, we are trying to get parking off of the piers and move it upland. There is a policy in the general plan and BCDC's plans right now that speak to opening up the waterfront to people and pedestrian-oriented activities and moving the cars and the parking upland. The seawall lots are the only parcels that the Port Commission controls for that purpose. While we're not talking about long-term for commuter parking necessarily, when we have projects like the Exploratorium, and there are some legitimate parking needs of those or the Ferry Building and the Farmer's Market, and they're some legitimate parking needs. Those upland sites become critical to being able to balance how we can meet them.

For those purposes, we have opposed the change in the status of parking from a permitted to a non-permitted use. We have talked about this with the Supervisor's Office, with Mr. Radulovich, with the Planning Department, and they have recognized that there is this particular issue that applies to the Port's responsibilities. They had recognized that they would like to work with us on making changes to take away that prohibition. We would like the Port Commission's direction and support to continue that work. Ultimately with the Commission's direction today, we'd be working with making proposed changes to the planning code to address these issues.

With respect to the Embarcadero roadway, under these controls, Embarcadero roadway would be designated as a scenic street, which all of us agree to. One of the things that goes with that designation is also a required conditional use authorization that would be triggered if there's a change or a new curb cut that is introduced along the east side of the Embarcadero against the promenade. Per the details in our staff report, there are better ways to try and address that concern. We understand that the concern is to really protect and advance the pedestrian value of that promenade and to limit or avoid conflicts between vehicles and pedestrians and bikes that traverse along the waterfront. However, for our Port tenants and the businesses there, the Embarcadero is the only means by which people can do their business. For truck-loading activities there is some legitimate parking and access that may be required at times. The notion of having a conditional use requirement for any of our tenants to have to secure in

order to be able to move a curb cut from this location to that location we didn't think was going to be the most effective means of controlling that problem.

Instead, we're proposing that curb cuts and impacts on our sidewalks and promenades and bike circulation of adjacent streets to major projects, which are the context within which these kinds of conflicts really come to play, is a more appropriate way of trying to address how the curb and the streets and the sidewalks should be interfaced with Port projects and vice-versa. We've proposed that the waterfront design review process that's now in place for major development projects be expanded to include an address of the adjacent street areas that may be located if a project is located along the Embarcadero. We think that's a more holistic way of being able to address those concerns.

With respect to the waterfront design review process, currently under the code it is applied technically only to non-maritime development projects between Fisherman's Wharf and China Basin. Now as we are looking to Mission Bay and the southeast corridor of the city as being the innovation corridor, Pier 70, Seawall Lot 337, Lot A development, there are other changes on the front that we've talked about with Mr. Radulovich in particular, and believe that the design review process should be refreshed so that it is used to review all major development projects portwide from Fisherman's Wharf down to India Basin in anticipation of some of these major undertakings that the Commission will be looking at in the coming years.

We've proposed to have that waterfront design process expanded and in that context to include not only the Embarcadero frontages, but the frontage along Terry Francois Boulevard, frontage along Illinois Street, frontage along Cargo Way, which are the main city streets that carry out the City's Bay Trail Plan and the interface with new developments that we happen upon in the next decade. That's one of our recommendations as well.

We are also looking afresh at the makeup of the Waterfront Design Advisory Committee. In the planning code there are five positions there. Some are appointees by the Mayor's Office, Planning Department and the Port, and two are also filled by senior staff members -- one from the Planning Department and one from the Port.

We would like to be able to open that up a little bit by allowing those senior staff seats to be at the option of the sponsoring department under the Planning Department or the Port to either be a senior staff person or a design appointee, whether they have historic architecture background, general architecture, urban design or landscape architecture background. Having a bit more flexibility to address some of the staffing demands that our departments face is a good thing to accomplish while we're taking a fresh look at these sections.

There's also one provision in this proposal -- to take three of the northernmost seawall lots and have them rezoned out of the existing Special-Use District Number Three and put it into a Waterfront Special Use District Number Two.

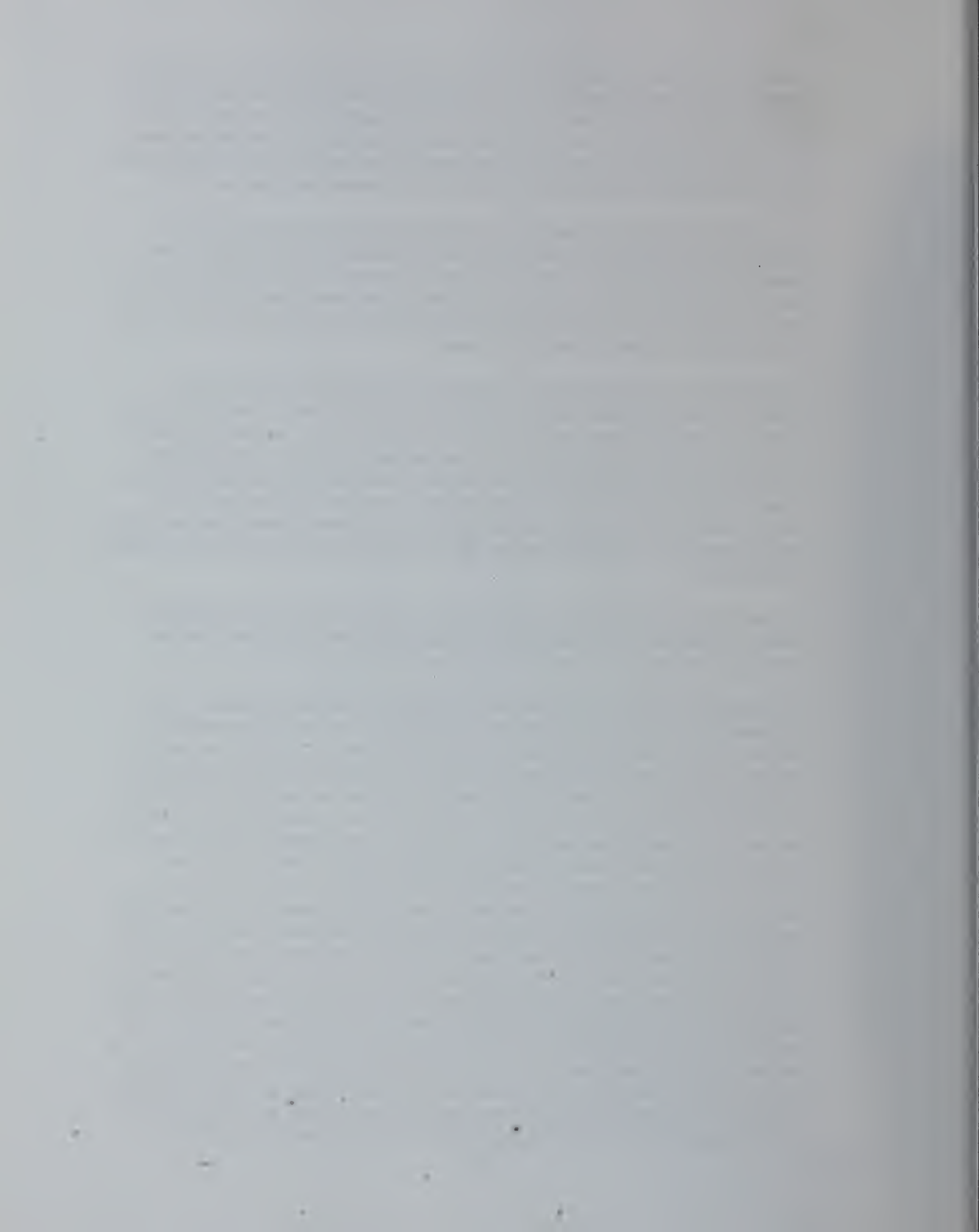
Currently that Special Use District doesn't include any Port property, and so we haven't been paying attention to it. It's basically inland properties that are off the Port's jurisdiction. We're not clear as to what the basis of that proposal is. We think that it's better to try and just keep it clear as to here's all the Port's seawall lots, and here's all the Port's piers, and here's the rules that apply to them that we have indicated our opposition to having the Port seawall lots rezoned there.

We will have to work with the Planning Department staff if we were going to expand all of the Port's properties south of China Basin to be included in this waterfront design process. We will be having to work with them to figure out, is that in the form of another Special Use District or is there some provisions that can be written into the planning code that recognize that those properties to the south would be subject to the same review?

With respect to encompassing all of the Port's properties through this city waterfront design review process, we also would like to make it explicit that the Burton Act responsibilities and protections that apply to the northern waterfront sites as they're currently recognized in the planning code be recognized and expanded for all of the Port's properties from Fisherman's Wharf down to India Basin. If we're going to have all major projects come through the waterfront design review process, it's an opportunity for the planning code to also recognize those Burton Act responsibilities that still permeate throughout the eastern side of the bayshore.

We welcome the opportunity to work with our stakeholders. It's a complicated piece of legislation. The Planning Commission and the Department are also willing to work with us as well as Supervisor Chiu's office.

Jeff Hamilton, Director of Government Relations for the Exploratorium - The Exploratorium supports the city's efforts to improve the transit, pedestrian and bicycle environment and has spent considerable time in the public process to ensure that it's new home at Piers 15 and 17 is consistent with the city's vision. The Exploratorium is committed to ensuring that the vast majority of employees and visitors arrive by transit or other means. However, some parking is required as part of our institutional needs at our new site. The legislation under discussion would make surface lots in C2 districts non-permissible. One of those lots, Seawall Lot 321, is licensed to the Exploratorium as part of our lease with the port for a period of 16 years. Disallowing use of that lot would be a fundamental alteration of our approvals and would endanger the business model of our new location. We have spent the last several months in discussions with President Chiu and his staff, the Planning Commission as well as Port staff to address our concerns. We have been assured by President Chiu of his commitment to find a solution and are encouraged by the Port Staff Report regarding the issue. Our specific request is that President Chiu, planning staff and Port staff work with us to find a solution that allows for our use of the parking lot and does not reopen the lot issue for the term of the license. We are not wedded to specific language, although we submitted proposed language to planning staff as a starting point. Any legislation that requires that our access to the lot involve intermittent



approvals within the 16-year license adds risk to our project and puts the Exploratorium in an untenable position.

The staff report seems to suggest a solution that would allow the Port lots to continue in perpetuity. We would appreciate clarifying language to ensure that this is the case. We also ask that the Port highlight the need for a solution with planning staff and with the Board of Supervisors that either makes an express exemption for the Exploratorium lot or another solution that does not reopen the issue. The legislation also amends Section 155 to add a conditional use requirement for vehicle access for parking or loading along the eastern side of the Embarcadero. This new provision should not impact the Exploratorium project, which is protected under its existing approvals. We've requested that this understanding be formally confirmed as part of the Planning Department's recommendations. I would like to thank Diane Oshima and port staff for their engagement with us on this issue and their efforts to find a solution.

Commissioner Ho commented that staff is taking the right direction and the Commission would support staff's continuing dialogue with the Planning Department and Supervisor Chiu.

Commissioner Katz asked if there's a representative from Supervisor Chiu's office.

Brad Benson replied that Judson True contacted Port staff to say that he couldn't attend, but they will review the tape of the Port Commission meeting and continue the dialogue with Diane.

Commissioner Katz asked staff to encourage them to continue the dialogue and appreciate their willingness to work on these concerns.

Commissioner Lazarus expressed her appreciation to the staff for diving into something that wasn't expected and could have any number of unintended consequences. It may look like technical changes, but clearly they are very important and appreciate the diligence. She assumed that staff will report back to the Commission at a time when this is all resolved.

C. Informational presentation regarding project approvals for the 34th America's Cup.

Brad Benson, Special Projects Manager, representing a broad Port team working on the America's Cup effort, indicated that Jonathan Stern is the co-project manager for the Port on AC34 issues. Diane Oshima has been leading with the Planning Department staff in the CEQA effort. Kelley Capone is the Environmental Project Manager for the America's Cup looking at issues both on Port property and off. Elaine Forbes, our CFO, has been helping the project team understand the financial implications of the America's Cup.



We're joined tonight by several representatives of the Event Authority. The second half of tonight's presentation will be given by David Reel, Vice President for AE Com, the consultant team that has helped the Event Authority design the proposed uses at various Port sites and off of Port property. We've got John Stringer who has been working with a broader team -- Paul Osmundson, Neil Sekhri, Mary Murphy, Marcia Smollens, Karen Johnston and others on looking at the construction activities that will be needed to prepare the waterfront for the event. We look forward to negotiating some of the longer-term development opportunities that will arise out of the America's Cup.

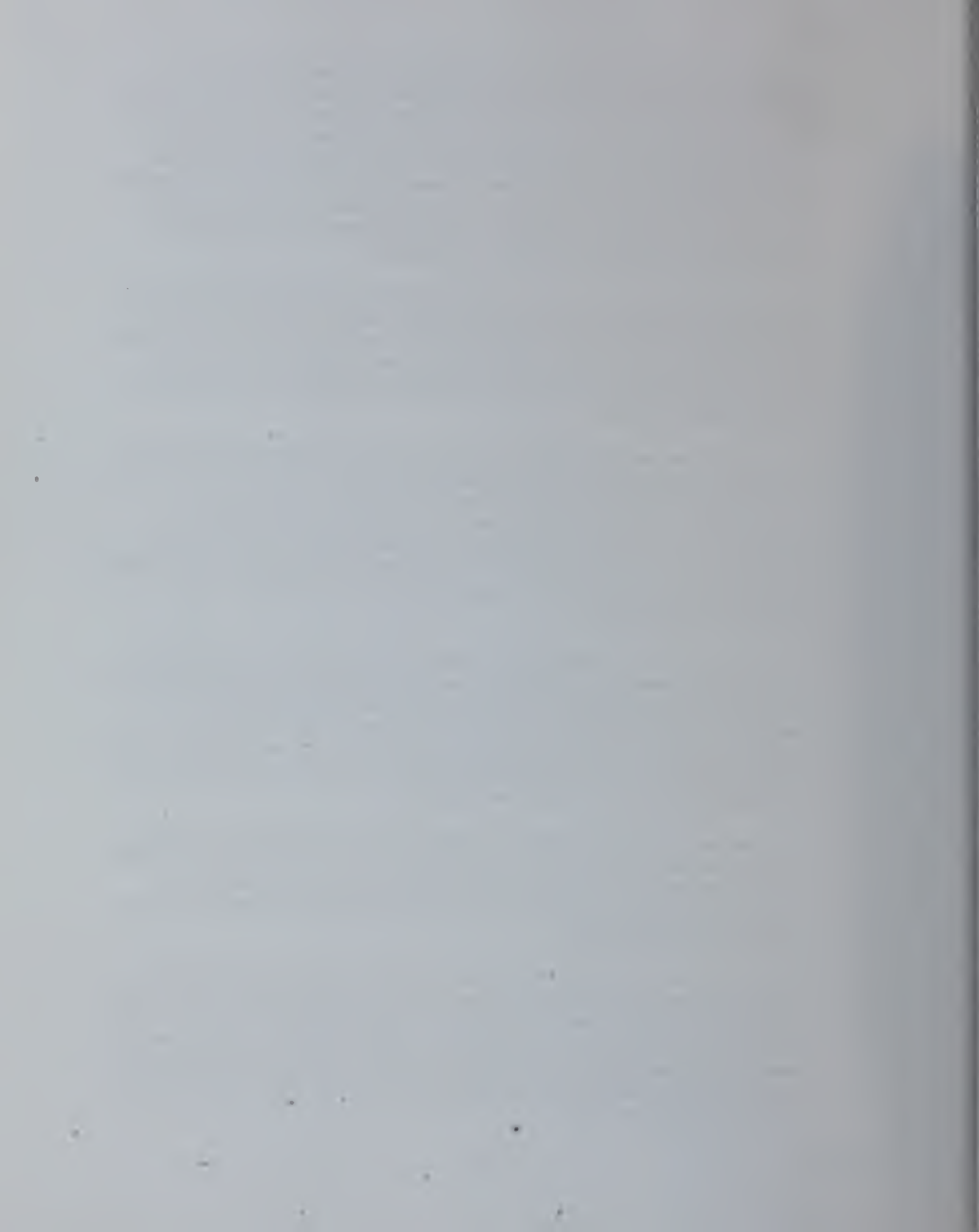
We would like to give an overview of the very complicated set of approvals that are going to be required for the America's Cup to happen in 2013. We envision that these approval processes would start in December 2012, just a month away, and then move very quickly through Planning Commission, Port Commission, Board of Supervisors' process and then leading through a number of state and federal approvals as well.

The next time we would be back in front of the Port Commission if the Planning Commission certifies the Environmental Impact Report for the 34th America's Cup and the Cruise Terminal Projects at Pier 27, we would be seeking the Commission's consideration and approval of the final proposed agreement between the Port, the City and the Event Authority related to their waterfront improvements, how the event will work during the event period from 2012 to 2013 and the long-term rights that they would obtain as a result of doing those waterfront improvements.

One thing the public is starting to get used to is the fact that the 34th America's Cup is really a new type of America's Cup. The races before have been sort of off the coast, hard for spectators to view. Always in very impressive boats, but not always the fastest racing yachts available. The plan is to go with these catamarans that are dramatic. We've seen them out on the bay, the AC45 boats, 45-foot catamarans, and it's amazing to watch. The speeds are impressive, and it's going to be a new race and a new experience.

The overview of his presentation is going to be the event timeline, the various partners that are involved, the course area and some of the venues. David Reel will go over the venue description. He will talk about the CEQA, NEPA and implementation plans and a little bit about the transportation strategy and then question and answer period.

There are three main parties to the host-and-venue agreement that the City signed in December 2010. The City and County of San Francisco, the America's Cup Event Authority -- this is a group that is managing the planning for the event on land and the America's Cup Organizing Committee which is a 501c3 that has been established locally to help the Event Authority obtain sponsorships for the event and also to raise money to help offset some of the city's costs in planning for and executing the event.



There's a fourth organization, America's Cup Race Management. That's the group that is looking at designing the on-water racing activities and officiating the racing.

There's quite a buildup that we're witnessing to the 2013 event. The AC45 catamarans are in the process of a world series of events at different locations around the world. Basically it's an opportunity for the various competitors to learn about these new catamarans and to hone the skill of racing in these boats.

We've had a number of events in Portugal, the U.K. coming up. San Diego is happening right now. The Port hopes to learn a lot from what goes on in San Diego. The America's Cup World Series will actually come to San Francisco in August 2012 for two World Series events back to back. Additional dates are going to be announced as the schedule progresses.

2013 is when the real deal happens and the Louis Vuitton Cup will occur in the summer months. There will be an opening event on July 4th and then racing between various competitors in the AC72 catamarans, which they're graduate to at that time to determine who will take on Oracle racing in the match which will occur in December of 2013. That would be a best-of-nine match in 2013.

The AC45s are 70-feet in height and the AC72s are 130-feet mast height. The speed of these boats will be 50 miles an hour or more for the AC72s.

He showed the proposed race area in 2012. It's hugging the San Francisco shoreline. This illustrates well why San Francisco was selected to be the host city for the America's Cup. It's because of the ability to take advantage of the natural amphitheater of the bay with viewing locations extending from Piers 27, 29 on Port property on up through Crissy Field in GGNRA jurisdiction.

There will be a slightly bigger proposed race area in 2013. In each case you see the blue line to the north of the race area. That's the northern shipping channel, which the event organizers and the Coast Guard intend to stay open so that shipping traffic is not disrupted by the racing activities.

It's going to be a made-for-TV event. They're using some of the sports technology that has made hockey or other sports more accessible to viewers so that people can watch and understand what's going on, who's in the lead and where they have to go on the race course.

CEQA started in late January, early February with a notice of preparation. The CEQA team pulled off an amazing feat in getting a draft EIR out in July. It's a 2000-page document analyzing both the events in 2012 and 2013 and all the construction activities associated with it and the cruise terminal project, both the construction of the cruise terminal and the long-term operation of the cruise terminal. About a 2000-page document with 2000-plus pages of comments during the public comment period. There's a great deal of attention on this CEQA

document. Responses to comments are being prepared right now by the CEQA team.

Publication of the final Environmental Impact Report could take place as soon as the beginning of December. EIR certification -- we're aiming now for mid-December certification hearing at the Planning Department.

It's not just CEQA that is required for this event. Because of the various federal approvals by the Coast Guard, by the National Park Service, by the Army Corps of Engineers with respect to building certain things on Port jurisdiction, compliance with the National Environmental Policy Act is required as well.

The National Park Service and the Coast Guards are the lead agencies under NEPA with the Army Corps of Engineers and the Presidio Trust as cooperating agencies for the NEPA effort. The goal of that effort is that NEPA would conclude with an environmental assessment rather than an environmental impact statement. In order for that approach to hold, the analysis under NEPA would have to avoid a finding of significant and adverse impacts. The federal agencies would have to issue a finding of no significant impact in order for the environmental assessments to be published. That would occur in mid-2012.

The host-and-venue agreement requires a number of plans to be developed, mainly by the city, but a few by the Event Authority. This has been a very successful way for the public to engage in certain aspects of the project.

The People Plan was the first big plan that was developed by the Office of Economic and Workforce Development in conjunction with SFMTA. Peter Albert led the effort on the People Plan, a very comprehensive look at how to expand transit service, to hit the demand for some of these peak race days along transit corridors, along the waterfront and to the waterfront coupled with bicycle access and pedestrian access strategies and satellite parking strategies. The People Plan has been through a number of public comment periods where they responded to comments and has been formally accepted by the Event Authority.

The other key plans that are currently under development, some of the critical ones that we think will attract a lot of attention are the Park Events Operations Plan, addressing how the park areas are going to be treated and cared for during the event, the Water and Air Traffic Plan, the Sustainability Plan and the Zero Waste Plan.

They will have to go through the same public comment and response to comment period. These plans bear a relationship to CEQA. They're referenced in CEQA. CEQA is relying on these plans to establish performance standards in some cases that will allow the city to help avoid impacts of the event or minimize those impacts.

The Port Commission approvals are numerous. The first and leading action is the adoption of CEQA findings and a mitigation monitoring program. The



Commission will review the FEIR, will be presented with proposed findings developed by CEQA staff and in consultation with the City Attorney's Office. Adoption of those findings would enable the Commission to consider and approve the Disposition and Development Agreement.

In the host-and-venue agreements, there was a basic premise that the city didn't have enough capital to be able to prepare the waterfront for the America's Cup. In lieu of that, to the extent that the Event Authority could bring private capital to improve Port facilities, that we would do what we normally do with respect to long-term development, which is to provide a long-term lease, in many cases rent credits, as a means of repaying that private investment. It's a way to enliven the waterfront, and it's the strategy that is the basis of the Waterfront Land Use Plan. The same is true with the America's Cup. The Disposition and Development Agreement would describe the long-term relationship between the Event Authority or its nominee in the Port. Attached to that would be venue leases for the short-term use of Port property during the event.

Sometimes these leases are going to start right after CEQA, sometimes a few months later and last up to six months after the event is over. Possession of most of these sites would likely return to the Port in March 2014.

Part of the core deal with the Event Authority is a transfer agreement, to transfer Seawall Lot 330 fee title from the Port to the Event Authority. This is a two-acre site south of the Bay Bridge. It's part of the basic deal between the City and the Event Authority where if they spend \$55 million, the City will transfer a long-term lease to Piers 30, 32 and then fee title to Seawall Lot 330.

We'll also ask the Commission to consider an Event Relocation Plan. This goes to the many Port tenants. If we're going to hold the America's Cup and provide all of these piers, in order for there to be a successful event, they need to be moved to another location. This is a requirement of State law. The Event Relocation Plan had been shared with Port tenants so that they have ample opportunity to review it.

There would be also endorsement by the Port Commission of a resolution of an intention to form an Infrastructure Financing District. This is a lot like a redevelopment area. It enables the capture of tax increments to fund public improvements on the waterfront, and it's a requirement of the host-and-venue agreement.

Finally there would be concurrent approvals associated with the Pier 27 Cruise Terminal Project that is planned and will be a major part of the America's Cup village at Piers 27 and 29. There are a number of other city agencies that will act. The Planning Commission will certify the CEQA document. Recreation and Parks Commission would have to approve the use of Marina Green. David Reel will show what some of the planned uses are there. There's a goal of having a helipad on Treasure Island. The Treasure Island's Development Authority Board would have to approve that lease.



Municipal Transportation Authority would approve the People Plan. The Redevelopment Agency would have to approve any potential AC34 related activities in the Rincon Point-South Beach Redevelopment Area, and there are a few of those that are planned.

The Board of Supervisors' approvals are almost as lengthy as the Port Commission's. They would have to adopt a resolution of intention to form an infrastructure financing district. They would also have to adopt CEQA findings. They would have to approve the long-term development agreement between the Port and the City. All of those plans that he mentioned earlier are likely to be subject to Board of Supervisors' approval.

Finally they would have to adopt by ordinance an infrastructure financing plan and form that infrastructure financing district. These actions are likely to take place in the later January 2012 period if the timeline for the CEQA certification hearing holds.

The Bay Conservation and Development Commission actually has started the process of considering some of the America's Cup approvals that are required. There are basically two forms of approvals. One, there's the hope that there will be a lot of large spectator vessels that will come to San Francisco Bay and need a place to berth. There are a number of locations -- at Pier 27 in the northern waterfront, at Pier 9 just north of the Ferry Building area. Pier 14 is that public walkway just to the south of the Ferry Building, north and south of that and then just south of the Bay Bridge where those vessels would berth on a temporary basis. Also the AC45 and AC72 catamarans need to moor around Piers 30, 32. BCDC has to amend its plan in order to allow that activity to go forward. BCDC would also issue a major permit for the entire event, and we'll talk about that a little bit more in this presentation because part of that major permit will require some permanent public access improvements to Port property.

The Army Corps of Engineers typically approves construction activities in federal waters along the Port's jurisdiction. We are consulting with both the United States Fish and Wildlife Service and the National Marine Fishery Service to look at impacts on endangered species listed at the federal level, National Historic Preservation Act compliance with respect to historic resources. The State Lands Commission will weigh in on dredging activities in some of the waterfront areas through adoption of a lease.

The Regional Water Quality Control Board takes a number of actions with respect to the events. There's a Section 401 water quality certification. There are construction permits, storm water pollution prevention plans, etc.

California Department of Fish and Game is looking at potential impacts on State unlisted species. The Bay Area Air Quality Management Districts will have to act on construction-related air permits.

There are non-construction-related permissions that are required at the federal level as well. These are principally the Park Service through GGNRA and San Francisco Maritime Historical Park approving the use of Crissy Field and Aquatic Park as primary event viewing locations. Presidio Trust may have to act with respect to some areas of Crissy Field. As discussed earlier, the United States Coast Guard has to issue a Marine event permit and a special local regulation governing activities on the bay. These permits are the focus of Kelley Capone's efforts on behalf of the Port and the City, very complicated work.

That's the overview of the approval process. The fun part is to see what is going to be happening at the different venues.

David Reel, Vice President of AECOM- We are making just some slight modifications. What has been presented in the EIR is still accurate and true. We're not doing anything drastic to that, but some of these plans do have some slight refinements. We are working closely with BCDC on ensuring public access.

There is an interagency working group that has been providing input into the approval process along with Kelly Capone and others. BCDC has been a big participant in providing input on where public access would occur, temporary and long-term after the events took place.

In this drawing in particular the yellow places are indicated where some of the temporary access would be. You can see some improvements after the races to the Marina Green area. Piers 19 and 23, Third and Cargo, some changes over there basically allowing better public access and some improvements that are still being worked out and discussed with BCDC and others.

Brad already touched on the race course. As he had indicated, there is a much smaller race course within this bigger blue and white dashed line. This is what was presented in the EIR. The race course itself really is about where the finish line is and then goes over to about where the Golden Gate Bridge is and in 2012 stays pretty much on the west side of Alcatraz Island, so it's fairly close to the shoreline. In 2013, it's just slightly bigger than that.

You can also see the red dotted lines where it says "spectator boating areas," both inside where you see the transit channels going through there as well as along the waterfront. The ones that are along the waterfront in particular are still being discussed with BCDC. There is concern about the boats being allowed to park in front of those from a spectator standpoint would then block views from the shoreline. So those continue to be discussed in more detail. The larger vessels are further to the back and on the other side of Alcatraz Island. We'll have some 3D images which you'll see what those might look like from a scale perspective.

These are all the locations where things are going to take place. It's centered on the Marina Green. The Marina Green will serve as the main village for America's Cup. Things like hospitality and entertainment and media, etc. will be there.

Crissy Field, as Brad had mentioned, is another area that will be used for viewing, and so we're dealing with that in terms of getting NPS and the NEPA clearance that's required. Aquatic Park -- after some input from NPS and others to ensure that there's enough activity in Aquatic Park, we'll be discussing that in a little bit. Piers 30 and 32 are planned to have the bases for the teams. If it's not done in time for the 2012 races, Pier 80 will be the team bases.

There are other locations such as Alcatraz Island. This in the lower right-hand corner, you can actually see when the time is planned for this. This would only be used in its existing facilities in the evenings if the Event Authority decides to have some private events. There is no spectator viewing or anything that's planned for the island. It's using the existing facilities for a few evening things within the course of the race period.

Similarly, we have the same thing here at Fort Baker. Here we would just use the pier. The pier would set up a temporary tent. You could still have public access along the pier and around the outside of that tent. That would be used for functions between 10:00 a.m. and 5:00 p.m. It may go a little bit longer than that, but it wouldn't be on an everyday basis. This would be set up, have the event and then take it down again.

There's also some TV locations and satellite dishes that would be located in locations that would obviously be discussed and worked out with NPS and others for those appropriate approvals.

At Crissy Field, we did start this process working very closely with a lot of input from NPS and others making sure that limiting the impacts, so that's why you see all the activities here, the programmed activities focused on the center of Crissy Field, so we would have bleachers, those bleachers there under number two in the yellow. That would accommodate roughly 4800 people in the bleachers.

You can see under number one, there's a tent there for some activities, some concessions and some other things. Under number four there is a boat display. A big part of this, making interactive is having some of the actual boats on display. In this case, this would be from not one of the racing boats, but it would be one of the boats in a previous race to look at.

Under number six, there is an event stage and some concessions. We also discussed with NPS the fact that they have to have under Items 7, 8, 3, and 5 having enough restrooms, having enough areas for safety and Red Cross, etc. to cover the crowds that might be expected through this area. Most of this still allows public access, and the park can be used in the way that it was designed to be used during the event.

The next area is Crissy Field and West Marina Green Area. A portion of this is actually still on NPS land, mostly on the left-hand side where you see the yellow line going from top to bottom separates where that boundary essentially is. Under



Item 6, once again we'll have bleachers approximately seating 1400 people in the bleachers.

What's different about this plan that's slightly different than in the EIR, for instance, is working through this with BCDC and showing in the hatch pattern the desire to have public access and circulation around that. That's something that we've been working through, ensuring that the facilities are properly placed on there. These are all temporary facilities. In this case, they would all be taken down after the race. Hospitality tents as well as some of the media and some educational displays, one of the requirements to use NPS land, and we are working closely with them on some educational programs. All those things are taking place on NPS land would have an educational aspect talking about the park as well as integrating the history of the race as well.

In 2012, the Marina Green will be the main village. In 2013, the battle shifts to the Piers 27 through 29. This is really the center of activity that's going to take place. In particular along the waterfront you can see the temporary docks that are installed in blue right in front. Under number 13, those are actually race boats that would come out of the water. We are dealing with the AC45s this year. We would have a crane there, one crane, temporarily located to bring the boats in when they're not racing, and then right when the race starts they go into the water so it's clear and open. They're essentially collapsible cradles that can be moved to the side so that allows that whole area to open back up to the public to allow them to view. We also have hospitality tents here. We have concessions.

Some of the things we've been doing is refining the number of in-water things. We've reduced some of the docks and some of the wave attenuators and some of the programs, so that's been reducing the amount of in-water impacts. In this case, we originally had 15 mooring locations, and we're now down to 10 that are in the water. Those are the circular shapes right above the existing marina.

This is what the Marina Green might look like when it's set up. Besides the large tents, which have somewhat transparent sides, there's still quite a bit of circulation of public access. The main concept was obviously to allow transparency through from the street side up to the waterfront and not block views. You can still see through most of the land here and see the Marina headlands and so forth in the background. You can see Golden Gate Bridge and the headlands as well. These are temporary facilities allowing a lot of view transparency right through.

In 2012 using existing facilities at Fort Mason under number 1 they would be used for private events again, mostly probably in the evening. There will be no new construction or anything like that. Two and three would be for media operations and International Broadcast Center as well.

There were a lot of comments on Aquatic Park. In particular, what you can see here that's different than was presented in the EIR, a refinement, you can see the hatched area allowing both the people from the Dolphin Club and the Rowing



Club to swim. We're trying to bring clarity. That was always the case. We have moved the video barge that is still proposed further back. That area in the center is to keep people out of that area in the center, but you still have the public circulation for swimming and non-motorized boats along the edges as well.

Other activities would be some concessions and so forth in this area. Discussions with NPS are really encouraged to look at the visitors and see if we can capture more people in this area in particular just because it already has the natural amphitheater that's already built into Aquatic Park and it can accommodate people fairly well.

At Piers 26, 28, 30, 32 - In 2012, the intent is to use Piers 30, 32 for the team base setup. You can see the purple hatch Piers 30, 32 allowing public access through there. That was a clarity item with BCDC to ensure that that was there. You have the behind-the-scene things that would take place as well. If this wasn't completed in 2012 in time, this would be set up at Pier 80.

Here's a view of what that would look like. In this case, you have two cranes that would again be lifting the race boats in and out of the water for the teams to get at. All the stuff goes away after the race of course. Allowing that public corridor through there would allow some viewing opportunities to see behind the scenes and see the excitement and preparation that takes place.

Here's Pier 80 and what it would look like in 2012 for the team bases. There's also a backup for 2013 as well. If there's additional need for space for some of the teams then Pier 80 would be used for that as well. In this case, public access is not indicated here and has been discussed with BCDC, so this is really set up for the teams, and we're still continuing to have discussions about that.

2013 is essentially the same. We're going to be shifting from the Marina Green now over to Piers 27 through 29. Most of the same activities would occur, for instance, on Marina Green and Crissy Field; same thing at Alcatraz, exact same setup, same thing nighttime uses only; same thing with Fort Baker, nighttime, temporary uses and a tent structure on the pier; same thing with Crissy Field, everything is programmed in the center the exact same way, and then the same thing with Crissy Field east and west Marina Green, exact same configuration planned for 2013, all temporary stuff that would be put up and taken down.

The Marina Green would actually be set up essentially the same. Because a number of estimated visitors that we're expecting then can accommodate people here as well as at the Village 27, 29, so there would be broadcasting obviously at both locations. It would look the same in 2012 and 2013. There are no major changes. The one distinct change, as you'll notice in the water is we don't have the temporary docks and so forth. We're not lifting the boats in and out of the water because that's now going to take place at 27 through 29. The same views that you're going to see out would be the same for Fort Mason and it would be used essentially the same and Aquatic Park.



The main village in 2013 is where you'll find the biggest activity. The purple hatch going where number one is, again, those are the boats that would be lifted in and out of the water with a crane. When the race is going on, the public can fully access that area.

Where the cruise terminal would be eventually built, the plan is to have part of that shell built and then the site can be used open lake for the rest of the event. Fourteen has an amphitheater that will seat up to about 4100 people. Number 14 in yellow is another seating area that accommodates another 1200 or more. So there would be about 5500 seating on this area.

There will be other activities such as educational things, concessions, and then behind the scenes, existing piers will be used for food court. Other piers such as Pier 19 will be used for behind the scenes and set up. Again, one of the things we've been discussing with BCDC, on the right-hand side of Pier 19, on the left side of Pier 23 the hatch public access, which was a request that they made to ensure that there is temporary public access.

Here's what it would look like in another perspective from the other direction looking out to the water. You can see the amphitheater there seating about 4000 people. In this case, we're showing the actual terminal in place if it would get done in time for the event. Here's a perspective showing what it would look like with the boats obviously during the race and then after the race when the boats are gone, a cruise terminal, you have this view across the bay. This is a temporary situation during the race, after the race, open view across the water.

Looking back out, this is from the bleachers, allowing a lot of open viewing which is important and encouraged by the agencies, especially BCDC allowing public access for all. Piers 30/32 is where the team bases plan to be in 2013 and the public access corridor. Following the event, BCDC has recommended in the Marina Green Piers 19 and 23, the Brannan Street Wharf and this greenway project to occur as improvements after the event.

Brad Benson - We look forward to coming back in mid-December and available to answer any questions the Commission may have.

Ernestine Weiss - I must say that was a very thorough report. My people and a lot of people around the city are asking me whether or not they will approve having screens on ferry park for people to view it because obviously not everybody can get through the places that are assigned for viewing along the waterfront. I'd like to know if that would be able to take place.

Mike Bishop, Operational Manager for Hanson Aggregates, one of the Port's largest maritime tenants down at Pier 92 and Pier 94 - We move about a million and a half tons of sand and gravel through those terminals and generally speaking support the America's Cup and what it will bring to the city. It does impact our business substantially on our sand mining operations which happens to be where the race area is. We mine on the tide, so generally twice a day. We

see that there are substantial impacts on our mining sites, which are between Presidio Shoals and to Point Knox over in Angel Island. We bring about half a million tons of sand out of those businesses. They're state land leases. With that, just general notes of encroachment of non-maritime businesses into the Port area, especially down at the Cesar Chavez cargo area or if it is permanent biking lanes on that corridor or temporary structures to allow events like the America's Cup. Even encroaching on Pier 80 are stevedoring operators run Pier 80 which may impact our Pier 94 operations. So there's a very large picture here at keeping your maritime businesses like mine viable and operating as we look forward in the future with all the developments that you're now contemplating.

D. Informational presentation on Affordable Housing Development on Port Non-Trust Property.

Brad Benson, Special Projects Manager - The staff report is on the Port Commission website. Subject matter of the presentation is affordable housing on Port property. We're really at the beginning of a policy conversation with the Commission and the public and our advisory groups and other waterfront constituents about these issues. The other issue is related to Pier 70. It's a project that we as a staff have really tried to develop a lot of flexible financing tools for. We're looking at very substantial and important affordable housing fees that will be owed as a result of development at the Pier 70 site and are trying to think of some ways in which we can honor our obligations to provide affordable housing as a result of development on Port property, but have more options available for you as a Commission to consider.

The Jobs Housing Linkage Ordinance is the main city ordinance that applies to commercial development in the city. It establishes a requirement to pay fees per square foot that are established by a nexus analysis depending on the type of development. The principle behind the ordinance is that when you create new commercial development, you create new jobs in the city and people earning a certain income level that create new demand for affordable housing in the city. These fees are a way to fulfill that demand. They go into the Citywide Affordable Housing Fund, the fees range for research and development space about \$15.00 per square foot on up to \$22.00 a square foot for office space. The Port projects are subject to these fees.

On the residential side, the city has an inclusionary affordable housing program. It requires developers of residential housing to contribute to the affordable housing stock of the city in one of three major ways: You can pay a fee like what is assessed on the commercial side to contribute to the construction of affordable housing units equal to 20 percent of the total market rate units in a project. You can build on-site affordable units at your residential project equal to 15 percent of the total market rate units or you can develop off-site affordable units within a mile radius of the project equivalent to 20 percent of the total market rate units in your project. The codes establish what affordable means. It's usually relative to some percentage of area median income.



The Port has fairly well-understood development challenges associated with most of Port property. Most of the Port is filled tidelands. You have to build pile-supported structures in order to develop on Port property and that's expensive. We have numerous historic structures, whether it's the piers listed on the National Register or Pier 70, a new National Register district consisting of some 40 or so industrial buildings. Often the Port lands are brown fields requiring some level of environmental cleanup.

We have BCDC and the public trust as administered by State Lands. Both of those processes are looking at very substantial, new public access to the bay. All of these factors make developing on the Port very expensive.

We have in the past pursued a number of flexible financing solutions, particularly at Pier 70. That project has received support from the voters in the form of Proposition D, a charter amendment that was passed some years that allows the capture of payroll tax and any hotel tax to help fund the public improvements at the site.

Proposition A was a parks bond adopted by voters in 2008 that is helping to fund Crane Cove Park at Pier 70 and other parks along the Port. Assemblymember Tom Ammiano authored AB 1199, which allows the capture of the State share of property tax growth at Pier 70. Even with all of these tools, the financial plan for Pier 70 looks like it's not financially in balance. We hope that changes with the addition of our new private development partner for city development, but we're still looking for additional tools to make Pier 70 happen.

There are plans in the Pier 70 master plan, up to three million square feet of commercial space that may include research and development or office space. That would be subject to the jobs, housing linkage fees that we talked about earlier, and we expect millions of dollars to be generated from that project to the city's affordable housing fund.

Port staff has been thinking about different areas of property that might be appropriate for affordable housing. One of the areas that we thought of is the Broadway parcels. These are mainly parking lots in the northern waterfronts. They've been the subject of prior development proposals. As we were looking for a potential area to propose affordable housing, it seemed like the area here, the heights here were appropriate for this investigation.

Current zoning for these parcels is C2. Seawall Lot 322-I has a 65-foot height limit. The remaining Broadway parcels have a 40-foot limit, it goes along the Embarcadero. Seawall Lot 322-1 is set back several blocks. It's closer to the residential neighborhood and has the greatest density potential for affordable housing.

It's about a little less than an acre. It's in the Northeast Waterfront Historic District. The Waterfront Land Use Plan contemplates residential use as one of a potential array of uses at the site. It was previously contemplated as a hotel



development site along the Seawall Lot 324. That project didn't go forward. We currently earn about \$50,000 a month from the site, almost \$600,000 a year.

We wanted to present to you the following policy options for your consideration and seek your permission to go and have this policy conversation with our Port advisory groups so that we can talk to neighbors about this and also to the Mayor's Office of Housing.

One idea is to amend the city's Job Housing Linkage Ordinance. This applies to commercial development, to allow the Port to not just pay a fee, but to provide land for affordable housing. That would be a different option and would potentially make available land for affordable housing that the Mayor's Office of Housing could not otherwise afford.

We will talk about these ideas at the Northeast Waterfront Advisory Group and other Port advisory groups, and particularly talk about the idea of whether or not Seawall Lot 322-I would be an appropriate site for affordable housing given the Northeast Waterfront Historic District and other factors.

We will reach out to the Mayor's Office of Housing and examine the site and do a feasibility analysis of whether or not the site can house the appropriate number of units. The Mayor's Office of Housing likes to build a certain type of project, and we would need to see whether or not this site is workable for that purpose.

If an ordinance amendment to the Jobs Housing Linkage Ordinance is possible and there seems to be sort of community support for an affordable housing project at Seawall Lot 322-I, we will look at whether or not this site could be used to offset some of the fees that will be owed at Pier 70 to help that project become more financially feasible. The site is currently subject to the public trust. In order for any sort of non-trust use like this residential development to go forward, we'd have to talk to the States Lands Commission about potential legislation, lifting the trust use restrictions at the site.

After all of those consultations, we would want to come back to the Port Commission and talk about what we've learned from the advisory groups, from the Mayor's Office of Housing and from the State Lands Commission.

Teresa Yanga, Mayor's Office of Housing - Our office is very excited to be in discussions with Port staff about this opportunity, primarily because it would advance both our offices' priorities and goals, ours, of course, being the development of affordable housing. The Seawall Lot 322-I is actually across the street from an affordable housing development we've already financed and is down the block from another development that's proposed to start construction next year, those both being affordable family developments. Developing on 322-I would be another opportunity that we more than welcome.

Commissioner Ho - Is there any idea of roughly how many with the 65-whatever-foot limit, how many units are we talking about in the range?



Brad Benson - It was about 100 to 125 units. It depends on how you would approach the site. There's a question about what would happen at the ground floor and whether you would want some retail use fronting Broadway and what you would do with parking on the site and whether or not to replace some of the parking that's currently there. That's our very early thinking about it but we'd want to go through a design process to answer that question.

Commissioner Ho - That would be also sort of in partnership with perhaps a non-profit or something to develop this?

Brad Benson - I'm being corrected. It's not 100 to 125 units; it's 90 to 100 units is the estimate. Teresa could answer the question better about the Mayor's Office of Housing's approach to development of these sites. We view affordable housing as not the Port's core expertise and that it would be better to enter into a long-term, ground-lease arrangement with the Mayor's Office of Housing and turn to them for their development expertise. They work with a broad range of community-based non-profit housing developers.

Commissioner Katz - Would that be restricted to these sites under discussion? It wouldn't mean then, but it wouldn't be a swap for any other site?

Brad Benson - This is the only site that we're thinking of right now.

Commissioner Katz - What I'm getting at is we wouldn't turn the site over and then it would go to a developer and then affordable housing be built somewhere else? So it would be limited to affordable housing being built on these sites?

Brad Benson - No. The proposal here is for the affordable housing development, yes, exactly.

Commissioner Katz - I just didn't want to have a repeat of our earlier hearing.

Commissioner Lazarus - Unless I'm missing something, I think you have support to go ahead because there doesn't seem to be any reason not to.

10. NEW BUSINESS

11. PUBLIC COMMENT

Ernestine Weiss - I would just like to bring to your attention the fact that cars are the problem in this city. There is an article that was written in the New York Times on December 15th that you can Google and see how Europe and Portland, Oregon discourages cars in all major cities. That is what's missing here. If we did that, we would need a central subway for billions of dollars going nowhere. For stocks we would get Muni on board to have their vehicles on time. I told that to the head of the MUNI, Ed Reiskin, and he said, "Yes, I wrote that article." I said, "Well just do it." We're behind the times with our managing here. I would ask you as the Port to



engage into that too to promote it because we can't have any more congestion. There are thousands of condos in the immediate area here and it's getting worse. Where are we going to put all those cars, on Mars? I mean, so please engage yourselves in that along with the other parts of the city government so we can get it going.

Commissioner Katz - Before we do that, I just want to thank the staff. I know these presentations took a lot of work. Sometimes I guess there are some lack of questions on some level on some of them up here, but I think it was because of the incredible detail that was provided. I just want to thank all of you because today was a really terrific group of presentations and very thorough.

12. ADJOURNMENT

ACTION: Commissioner Crowley moved approval to adjourn the meeting in memory of Captain Jack Frost; Commissioner Katz seconded the motion. All of the Commissioners were in favor.

Commission Vice President Lazarus adjourned the meeting at 6:47 p.m.

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